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ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
4/2 Atlanta, GA
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4/25 New York, NY
5/8 Boston, MA
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3/19 Chicago, IL
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4/25 Cincinnati, OH

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4/24 Detroit, MI

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3/21 Detroit, MI
4/3 Portland, OR
4/4 Seattle, WA
4/27 Denver, CO
5/1 Harrisburg, PA
5/2 Knoxville, TN

Franchising for Growth
3/28 Chicago, IL

Healthy Profits through Nutrition
3/26 Chicago, IL

Labor: Hiring, Training and Retaining
5/7 Tampa, FL
5/8 Miami, FL

Off-Premises Catering
3/19-20 San Diego, CA
4/23-24 Minneapolis, MN

Profitability
3/27 Chicago, IL
4/23 Boston, MA
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5/22 Richmond, VA

Promoting Your Restaurant
3/5 Chicago, IL

Successful Buffet Management
3/26 Boston, MA
4/2 Los Angeles, CA
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4/23 Baltimore, MD
5/22 Portland, OR
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3/26 Louisville, KY
3/27 Orlando, FL
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For information, contact:
Educational Foundation of the National Restaurant Association
250 South Wacker Drive
Chicago, IL 60606
(312) 715-1010 or 1-800-522-7578

If your company is interested in our in-house programs, call or write to the attention of Jeff Harrison at the above address.

Seminars scheduled during National Restaurant Association Restaurant, Hotel/Motel Show

5/19
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Customer Service*
Dining Room Management
Food Cost Management
Franchising for Growth
Healthy Profits through Nutrition
Kitchen Management*
Labor: Hiring, Training and Retaining*
Perfecting Your Culinary Skills
Profitability
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Successful Buffet Management
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5/20
Applied Foodservice Sanitation
Banquet Management
Dining Room Management*
Food Cost Management
Franchising for Growth*
Healthy Profits through Nutrition*
Kitchen Management
Profitability
Promoting Your Restaurant*
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**half-day program.*

Note: *All Chicago seminars except those at the Show are held in the educational foundation's conference center at 250 South Wacker Drive.*

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Internal Auditors
4/24-27 Key West, FL

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4/17-20 Nashville, TN

Marketing Executives
5/16-20 Chicago, IL

Multi-Unit Architects, Engineers and Construction Officers (MAECO)
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Quality Assurance
4/18-20 Atlanta, GA

Tax Executives
4/4-6 Scottsdale, AZ

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

The Executive Study Groups present semi-annual professional development programs for executives who would like to meet with their industry peers to share ideas and concerns. Executives in each of the afore-mentioned disciplines from member foodservice companies are welcome and encouraged to participate.

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PRESIDENT'S REPORT

Harris H. "Bud" Rusitzky, President
Serv-Rite Food Service and Consulting Corporation
Pittsford, New York

Minimum-wage law holds unpleasant surprise

Restaurant owners need to be aware that the new minimum-wage law, to go into effect April 1, contains an overlooked provision that curtails what had been thought to be a full exemption for restaurants grossing less than $500,000 annually. Restaurateurs who fail to comply could be subject to a civil penalty of $1,000 per infraction plus back wages.

As written, the law exempts companies grossing less than $500,000 but not employees in those companies who are involved in interstate trade. The Department of Labor could interpret "interstate trade" broadly, including, for instance, employees who accept payment in national credit cards.

Congress originally intended a full exemption for foodservice companies grossing less than $500,000 to be part of the bill, but the intention was written out of the new law in an attempt to simplify it. Your association is planning to work for a technical correction to the bill in order to restore the exemption.

ADA update

The Americans with Disabilities Act (ADA), the proposed law that will guarantee rights to disabled persons as consumers and as employees, is presently being considered by three House committees, and there is pressure to pass the bill this year.

Although we agree with ADA's basic philosophy, we still have misgivings about how the bill is written, even though many helpful amendments were made as the bill moved through the Senate. We are urging the House Judiciary Committee to hold additional hearings on the bill to correct remaining problems.

Possible vote on parental leave

Another legislative issue that may be pushed for passage very soon is the Parental and Medical Leave Act. This bill requires employers of more than 50 workers in a 75-mile radius to give 10 weeks of parental leave every two years and 15 weeks of annual medical leave for serious illnesses.

Most restaurants cannot afford to keep an employee's job open for what could be 40 work weeks every two years. We urge our members to contact their representatives to tell them that this bill is misdirected. The way to help working parents is to formulate legislation that would make child care more available.

New book and video can help set up alcohol-awareness program

A new booklet and video can help you ensure responsible alcohol-beverage service in your restaurant—the most important step you can take to protect yourself against third-party liability suits.

Copies of the new alcohol-awareness booklet, *Help Prevent Drunk Driving—A Restaurateur's Guide*, are going out this month to all National Restaurant Association key members. Extra copies are for sale from the association's publications department.*

The association has also released a new video, *Alcohol Awareness Training for the Server: the F.A.I.R. Program*. This brings to three the number of videos your association offers for training employees in responsible alcohol service.*

**When ordering any publications, send a check or money order to the association's publications department in Washington DC, giving title and catalogue number. To order by phone on a credit card, call the association's information services department at 1-800-424-5156 or (202) 331-5900. Both postage and handling are now included in the publication price.*

Programs for training your managers

The Educational Foundation of the National Restaurant Association has two new programs aimed at raising the professional level of foodservice management.

A program called "Servsafe" trains foodservice managers to become certified in food safety. The training is available through in-house seminars or can be integrated into corporate, health-department or association training programs or school curricula.

The second program, the National Restaurant Association Management Development Diploma Program, is designed to teach foodservice managers the basic skills needed in their day-to-day operations. The course is divided into five competency areas—human resources, operations, accounting, administration and marketing.

For information about the programs, contact the educational foundation at 1-800-522-7578.

New nutrition

Americans' commitment to eating lighter and healthier is carrying over to what they order in restaurants. A new National Restaurant Association study, *Attitudes Toward Nutrition in Restaurants: Assessing the Market*, reveals that the percentage of consumers who choose nutritious items when ordering in restaurants is on the increase, while the percentage of those who are unconcerned about nutrition in restaurants is declining. The message is that restaurants should continue to add items to their menus that conform with the dietary guidelines of good health.

To learn more about how consumer attitudes on health and nutrition are affecting menu choices, order your copy of the study from the association's publications department.*

Don't miss the Show

The 71st annual National Restaurant Association Restaurant, Hotel-Motel Show takes place May 19 through May 23 at Chicago's McCormick Place. This year's Show will have more floor space, with hundreds of additional exhibits and an untold number of new products, equipment, services and ideas. Returning again will be such popular attractions as the Ice Carving Classic, the Culinary Arts Salon and the Salute to Excellence program. You can't afford to miss this very important event.

Don't forget that your National Restaurant Association membership card is not enough to get you into this year's Show. You must return the Show registration form you received in the mail in order to ensure your admission and to reserve accommodations.

Welcome new members

We extend a warm welcome to the 83 new members who joined the National Restaurant Association this month. We look forward to working with you, and we are confident that you will find that your participation in association programs will benefit both your businesses and the industry as a whole.

Sincerely,

Bud Rusitzky

Harris H. "Bud" Rusitzky
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: MARKETS OF THE '90s

As competition continues to intensify, the need to fine-tune your marketing strategy is more important than ever before. And that means getting to know the customers who hold marketing promise in the new decade. This issue of ***Restaurants USA*** focuses on clout-carrying, but often-ignored, patrons.

SPECIALS

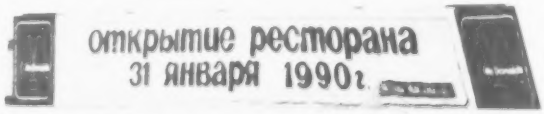
14 Table for one
Solo diners—who often express feelings of discomfort or awkwardness when they walk into a restaurant—are a market ripe for the picking.

17 Gold among the silver and gray
Senior customers are not the market you might think they are. Although the ever-growing number of older citizens in the United States share some common characteristics, they represent very different lifestyles, income levels and interests. This article offers the facts about senior Americans.

23 Viewpoint: How to discount your product
An insider's view of how discount coupons can devalue your product and sabotage your overall marketing scheme.

24 Give them a gimmick
A cow grazing on a busy New York City street? A chopped-liver sculpture of Brooke Shields? They may seem outlandish, but carefully planned creative gimmicks can help get your restaurant's name on the lips of hundreds of potential fun-loving customers.

26 When foreign markets beckon
The successful opening of Moscow McDonald's illustrates the lucrative potential of overseas markets. But before setting up shop on foreign soil, a foodservice company must check out the political, social and economic climate. Here are some guidelines.



28 Spa food ideas for health-minded guests
Now that the trend toward healthy eating seems here to stay, here are some pointers from some of the country's most sumptuous spas.

30 Eight promotions for pint-sized patrons
Kids may be small in stature, but as potential customers, their value is big indeed. These imaginative promotions attract youthful customers—and the grown-ups that hang around with them.

33 First impressions—How to market your company to prospective employees
Although managers may not think of them in such a light, prospective employees also represent a segment of the market. How you meet and greet job applicants can determine whether they decide to join your team and become your customers.

Cover photos by Gary Landsman

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- ☐ Finding an Asian venture
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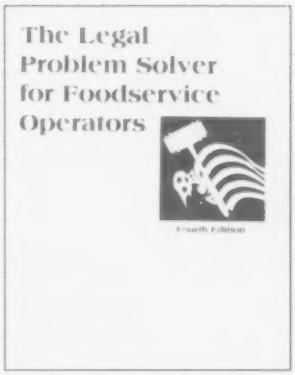
- ☐ The right time and place

Legal help for restaurateurs

Some say federal laws and regulations are written not to communicate, but to make lawyers rich. That is why the foodservice operator's most valuable reference is a relatively unknown publication called *The Legal Problem Solver*. This sleeper explains what you must do to comply



with laws and regulations, such as OSHA, Equal Employment Opportunity, IRCA and countless other irksome federal mandates.

You have to be fast to keep ahead of the bureaucrats, and *The Legal Problem Solver* keeps moving. Revised completely in 1989, it has just been further updated to reflect the new minimum-wage law, changes in the Targeted Jobs Tax Credit (TJTC), changes in COBRA and repeal of the infamous Section 89.

To order your copy, call the association's publications department at 1-800-424-5156. Cost is $24.95 for members and $34.95 for nonmembers.

More Italian fare in Boston

Art and history. **Inspiration for Via Veneto, the latest operation of the Frattaroli brothers in Boston's North End, includes Michelangelo as well as dishes and pizza from Italy's 20 regions. "With our menu and decor, we transport the diner through a region-by-region tour of our native country," says Filippo Frattaroli (right). Brother Donato is chef of the restaurant that includes a formal dining room, an informal cafe and two function rooms.**

Nutrition course for foodservice managers

Do you want to know more about nutrition? Then consider a new course offered by the Educational Foundation of the National Restaurant Association.

Nutrition for the Foodservice Manager focuses on practical nutrition basics applicable to foodservice operations. It emphasizes topics such as: nutrition fundamentals, marketing nutrition in foodservice, menu planning and controversies in nutrition.

The course is available as an independent-study program. Those passing the final examination receive a certificate of completion from the foundation. To find out more about the program, contact the association's educational foundation at 250 South Wacker Drive, Suite 1400, Chicago, IL 60606; or call 1-800-522-7578.

Burger King creates a club for young fans

McDonald's corner on the kiddie market is coming under heavy attack from companies such as Burger King that are going after the preteen market. Burger King has rolled out a coordinated promotional campaign called Kids Club. It begins with state-of-the-art advertising (with special effects) and moves on to a membership kit; periodic, four-page, full-color newspapers; a cast of strategically positioned cartoon characters and toy giveaways, including the popular Teenage Mutant Ninja Turtles; and ends with a specially designed window bag that shows the premium items offered.

"The campaign is aimed squarely at the fastest-growing and most lucrative market segment in our business—children," says the Burger King brochure that announced the program. Since the campaign began in January, 50,000 kids have been joining every day.

Mark your calendars

Two dates to keep in mind if you are a foodservice manager:

- International Foodservice Executives Association's (IFSEA) Spring Leadership and International Student Conference at the Opryland Hotel, Nashville, April 8–10, and
- IFSEA's 89th Annual International Conference and Seminar at the Mirage Resort, Las Vegas, September 2–5.

Making wishes come true

A celebration over sundaes! **It was cause for celebration as Hartley King (center), president of Kings Family Restaurants, shared the good news that Kings had collected $33,937 for the Make-A-Wish Foundation of Western Pennsylvania. The money was raised over a six-week period at all Kings locations by employee fundraising efforts and customer contributions. Make-A-Wish fulfills the wishes of children between the ages of two and 18 who are diagnosed with a life-threatening illness.**

Joining King are, from left, Michele Atkins, executive director of Make-A-Wish; Debra Miljus and Amanda Chonko, both from Duquesne, Pennsylvania; and Tony Plassio, president of the Make-A-Wish board of directors. Six-year-old Amanda just returned from a trip to Disney World and 11-year-old Debra is awaiting a new computer. Both wishes were funded by Kings' donations.

Donate your obsolete equipment

If you have some computer hardware, software or other technology that is collecting dust in a back room, bring it out. It can pay dividends to you, and it can help people with disabilities.

The National Cristina Foundation (NCF) collects obsolete equipment and directs it free of charge to training organizations and institutions throughout the country. The equipment is used to train people with disabilities and other special needs. "We are working very hard to get computer resources to people who otherwise would not have access to this extremely valuable training tool," says NCF president Dr. Yvette Marrin.

There is a bonus for donors as well, who can receive up to 200 percent of inventory cost as a tax deduction.

To donate microcomputers; minicomputers; software; peripherals of all kinds; and video, audio and office equipment, call (914) 738-7494; 1-800-CRISTINA (42 Hillcrest Drive, Pelham Manor, NY 10803).

Burlington, Vermont

A tribute to the spirit of cooperation

In a world where all too often it is still every man (or woman) for himself, The Inn at Essex is a tribute to the spirit of cooperation. Here on the outskirts of Burlington, Vermont, the Hawk Mountain Corporation and the New England Culinary Institute (NECI) have joined forces to create a 97-room destination hotel and conference center that is becoming known for its warm service and fine food.

NECI has expanded from its Montepelier home site to The Inn at Essex to create a culinary campus where students can experience firsthand what it is like to work in the food and beverage department of a high-quality hotel. Under the direction of executive chef Robert Barral (a veteran of the Four Seasons Hotel chain and Chicago's Ritz Carlton), 73 students cook and bake in a state-of-the-art kitchen and bakery that includes a cryovac, a sheeter—a sophisticated piece of equipment that rolls out dough—and the latest ovens.

The culinary curriculum is rigorous and preparation-oriented. And the inn has avoided many of the typical opening pangs as a result. First-year students prepare meals at the inn's informal Birch Tree Cafe, while the upscale Butlers reaps the inspiration and more-practiced efforts of second-year students. Students also prepare meals for catered events, banquets and room service.

How can consistent quality be maintained with students still testing their culinary wings? A low chef-to-student ratio—seven students to one chef—is a major factor. Students not only cook under the practiced eye of a professional, but they also help create specials and shop for fresh produce and meats in Boston and Burlington.

The dishes they are turning out reflect the area's particular bounty, including apples, cider, maple syrup, lamb, organically grown greenhouse tomatoes and pork fed on ice cream manufacturer Ben & Jerry's surplus. A typical day's menu might include a warm salad of stuffed loin of lamb with balsamic vinaigrette; baked pheasant breast with shiitake mushrooms, butternut-squash puree and grilled leeks; and apple-cranberry crisp with ginger sauce.

The spirit of cooperation that brought NECI and the inn together has not stopped with the marriage of these two organizations. For example, NECI has a cooperative agreement with Blodgett, a manufacturer of foodservice equipment based in Burlington. In NECI kitchens, Blodgett installs state-of-the-art equipment—usually prototypes or newly imported pieces never before used in American kitchens—for the students to test. The school makes full use of the equipment, keeping careful performance records, and reports its findings to Blodgett. In this mutually beneficial relationship, the school gets to use exciting new equipment at no charge, and Blodgett gets free advice and feedback from culinarians.

NECI students enjoy periodic guest lectures, demonstrations and hands-on workshops with distinguished professionals. Here baker Jim Dodge (center) shares some of his secrets.

NECI also helped Food 2000, another local company, develop Chili 2000, a natural food product that combines Vermont maple syrup, apple cider and Mexican chilies. A portion of the profits is being used to feed the hungry. The Inn at Essex has sponsored events such as a recent raffle for needy children, donating its facility and prizes for the cause. And so the circle of goodwill continues!

—Sylvia Somerville

Washington DC

A priest with a mission

Luis Lezama is a Spanish priest, familiar with doing good works and helping the needy. Unlike most priests, however, he is also a restaurateur. Lezama owns eight restaurants in Spain and recently opened an authentic Spanish restaurant, Taberna del Alabardero, in the heart of downtown Washington DC.

Lezama brought his restaurant-operation prowess to the United States with three goals: to expand his empire of successful restaurants, to show off 20th-century Spanish cuisine and culture to the world, and to continue his Christian works.

"We want to show the other face of Spain, not just the stereotype. There's more to Spanish culture than bullfights and bullfighters," says Agustin Lezama, the son of Luis Lezama* and a maitre d' at the restaurant. He is also quick to renounce the American tendency to group Spanish cuisine with Latin American food. "Our cuisine is closer to French cuisine or even Portuguese. It's very European, and of course we serve paella," says Agustin Lezama. A large dessert menu is another feature of the upscale menu, and wines and fish are imported from Spain, Portugal and France.

Other aspects of Spain's culture are represented in the restaurant's decorative tiles and plaster work. In fact, the Taberna's commitment to culture is so strong that the restaurant's opening was supported by Spain's former Minister of Commerce.

Although Luis Lezama brought about 10 workers to America from his restaurants in Madrid, Sevilla and Valencia, the Taberna has also been a supporter and beneficiary of the Gordon Center in Washington DC (see sidebar). Before the

**Luis Lezama became a priest in 1962.*

GRILLED VEGETABLE LASAGNE

Serves 8

Ingredients:

1 med. eggplant
2 zucchini
2 yellow squash
2 lbs. spinach
2 cups mushrooms (sliced)
1 large onion (chopped small)
2 cups ricotta cheese
5 eggs (omit for heart healthy)
2⅓ cups grated Parmesan
1 lb. grated mozzarella
1 qt. marinara sauce
1½ lbs. fresh egg pasta

Method:

1. Slice eggplant, zucchini and yellow squash lengthwise, approximately ¼-inch thick. Brush with olive oil, chopped garlic, salt and pepper. Grill until tender. Saute onion, mushrooms and spinach together.
2. Mix ricotta, eggs and Parmesan together and season with salt and pepper.
3. Using a pasta roller (#1 setting on roller), roll out egg-pasta dough into long rectangular shapes to fit baking pan. Pre-blanch until tender, shock in an ice-water bath and dry.
4. Line a buttered 2-inch-deep baking pan with a precooked pasta sheet.
5. Begin to layer vegetables, using one kind per layer and topping each with a thin layer of cheese mix until all vegetables and cheese are used.
6. Top with marinara and mozzarella and bake for 30 minutes covered with foil, then 15 minutes without.

—Chef Benjamin Cevelo, NECI

Editor's note: ***Restaurants USA*** is happy to send nutrient analysis of this recipe to readers at no charge.

FEEDBACK

Some regulations go too far

Dear Editor:

As a restaurant owner and operator for 32 years, I still am constantly amazed at the new regulations and codes with which restaurant owners are expected to comply. Certainly some are necessary, but others are not.

A good example of one that is not is the mandatory establishment of smoking sections in New York restaurants, required by the state's new smoking law. I have always opposed such regulations. As a matter of fact, restaurant owners nationwide have been opposing measures such as these for years.

Earlier this year, I testified before the Westchester County Board of Legislators on this issue as immediate past president of the Westchester-Rockland County chapter of the New York State Restaurant Association.

Despite our efforts, the legislation passed; and another regulation for restaurant owners was added to the never-ending list.

My question is: When will the list end? Restaurants already follow enough codes. It seems owners seldom get to make their own decisions anymore.

Most people do not realize the extent to which a restaurant is regulated or the difficulty of enforcing these laws. This is a major reason so many restaurants fail in New York and probably most other places, too. It's not because they can't produce a good business; they simply do not have the means to keep up with all the hassles.

A new owner opening a hamburger-and-beer place in my state would have to deal with the police department, the fire department, the New York State Liquor Authority, the board of health, and the departments of labor at both the state and federal levels.

A foodservice employer's dream

The Gordon Adult Education Center in Washington DC is a foodservice employer's dream: a source of hundreds of immigrant jobseekers from more than 80 countries who have been taught both English and foodservice skills.

The Gordon Center's foodservice job-training program includes training in food preparation, service and use of the cash register. "We have a cafeteria here for the students and faculty," says Alberto Lopez, a career-placement specialist at the center.

"Students cook here and work in the cafeteria for six or seven months under the supervision of a nutritionist and an executive chef." Trainees spend their mornings learning foodservice skills and their afternoons taking English-language classes. Also available to the recent immigrants are programs in clerical work and word processing.

The Gordon Center goes beyond training, however; it is also a marketplace through which employers can be matched with a skilled group of employees. Local hotels, restaurants and hospitals are just a few of the employers that contact the center in search of workers. Lopez posts the list of openings on the cafeteria bulletin board, screens interested individuals and then calls employers with the names of qualified applicants. "That's a good service for employers," says Lopez. "They don't have to deal with a lot of calls from people who are not qualified or who aren't really interested. I make sure people are 100 percent qualified—or at least 80 percent qualified."

Perhaps the icing on this service is the price tag: There is no cost to either employers or employees. Funding for the center's programs comes from the District of Columbia government and from federal money allocated under the Job Training Partnership Act.

Taberna's opening, a chef went to the Gordon Center and taught a course in Spanish cooking. Several of the students ended up joining the restaurant staff, and one is an assistant manager. Other Taberna employees were hired as the result of Luis Lezama's association with a local Catholic church, where he presides over mass when he is in town. Lezama believes that making a restaurant part of the local community and the broader cultural community is important, and he is willing to cooperate with institutions to do so.

—Paul Moomaw

The owner must handle tax audits, insurance-company inspections and local zoning and building codes. The owner must support the bottle bill and work with the Human Rights Commission. He or she also must purchase a federal tax stamp for a liquor license, observe immigration laws, comply with alcohol-consumption regulations and, now, enforce new smoking policies effective January 1, 1990.

This is merely a skeleton list of mandatory regulatory codes. And each one can be pages thick.

Under New York's new smoking law, any restaurant seating more than 50 people will be required to establish up to 70 percent of its seating as non-smoking, based on customer demand. At The Alps, which seats 85, and Maguires, which seats 100, I must comply.

This is particularly onerous for me because it changes the entire character of my restaurants. Suddenly, there are requirements as to who can sit where. The Alps has an established elderly clientele. They have their favorite waiters and tables. Now, if these are in a designated area not of their choice, they can't sit there.

Moreover, it is uncomfortable and time-consuming to "police" customers seated in these designated areas.

Further, we find that unless non-smoking sections are mentioned, people do not ask for them. This reaffirms my belief that the character and service of the restaurant is what is important to our customers. Mutual respect, not a government-mandated policy, has worked very well all these years.

I ask again, when will it end? Why can't we decide for ourselves what's best for our businesses?

—Harry Zourdos, The Alps Restaurant, Bronxville, New York

The finer points of fine dining

Dear Editor,

In the restaurant trade, we are very fortunate to have magazines such as your own to help us and to educate our staff. We look forward to receiving each issue, but I must admit the December issue caused me quite a stir.

The cover photograph was titled "Fine Dining in Denim"; and from the moment I saw the cover, I cringed. We spend a lot of time training our staff on table setting. The cover of your issue showed two errors. The one that most affects me is the direction of the knife. The blade of a knife should always be placed facing in toward the plate. This was a tradition started in the medieval period, when gentlemen used large, sharp blades at the table to assist in cutting the legs of lamb, beef or whatever. Because these blades were so sharp, the habit of turning them in saved many a person's arm when they brushed near the setting. The second error was in the placement of the coffee cup and the direction of its handle. The cup belongs on the righthand side, with the handle set at five o'clock.

Not trying to be so critical, but also trying to keep the magazine an educational tool, I thought it might be of interest to you and something you may want to watch for in future cover photos.

Once again, we do enjoy your fine magazine.

—Evangeline H. Nicas, Castle Restaurant, Leicester, MA

Editor's note: We apologize! The casual theme made us lose our heads during the cover shoot.

Readers are invited to comment on industry issues, ***Restaurants USA*** *articles and association activities. Send your opinions to Feedback,* ***Restaurants USA,*** *1200 Seventeenth St., N.W., Washington DC 20036-3097. Submissions may be edited for length.*

Symposium Report

FINDING SOLUTIONS TO THE SOLID-WASTE PROBLEM

CITIZENS

At the National Restaurant Association's symposium "Managing Solid Waste: Answers for the Foodservice Operator" held January 9 in Washington DC, more than 270 operators, suppliers, manufacturers and government representatives learned that it is not a moment too soon for the industry to get involved in coping with the problems posed by the proliferation of solid waste and—more important—to propose solutions to the problems.

Association president Harris H. "Bud" Rusitzky opened the symposium by describing some of the ways the crisis is already affecting restaurateurs—through soaring costs for hauling waste and the growing amount of well-intentioned, but often misguided, legislation that attempts to deal with the solid-waste problem.

Rusitzky discussed the public's misperception that the foodservice industry is responsible for a great deal of the solid-waste problem. "Our disposable containers have come to represent the 'throwaway society' that catapulted America toward this landfill crisis," he explained. "Even though these fast food disposables account for less than one-third of one percent of landfill waste, these misperceptions are symptomatic of the misinformation that is rampant about solid waste in general. If even the experts can't agree on issues as simple as whether it is preferable to use paper or plastic bags at the supermarket checkout counter, how are foodservice operators supposed to make costly decisions about issues such as recycling and incineration?" he asked.

DCROUNDUP

□ **DOL promises explanation of minimum-wage law by April.** U.S. Department of Labor (DOL) officials have told the National Restaurant Association that proposed rules will be published shortly to explain the new minimum-wage law scheduled to take effect April 1, 1990.

Employers are especially anxious for DOL to clarify the U.S.'s first training wage, passed by Congress in 1989's minimum-wage bill. Under the bill's training-wage provisions, employers will be allowed to pay certain workers under 20 years of age 85 percent of the federal minimum wage for up to 180 days.

□ **Employers must follow a new procedure for using TJTC.** Employers who want to take advantage of the Targeted Jobs Tax Credit (TJTC) for disadvantaged workers hired after December 31, 1989, must do some preliminary legwork to verify TJTC eligibility.

State agencies asked to "certify" workers for TJTC will process applications only after an employer has already specified to which of the nine targeted groups of qualified employees a potential TJTC employee belongs.

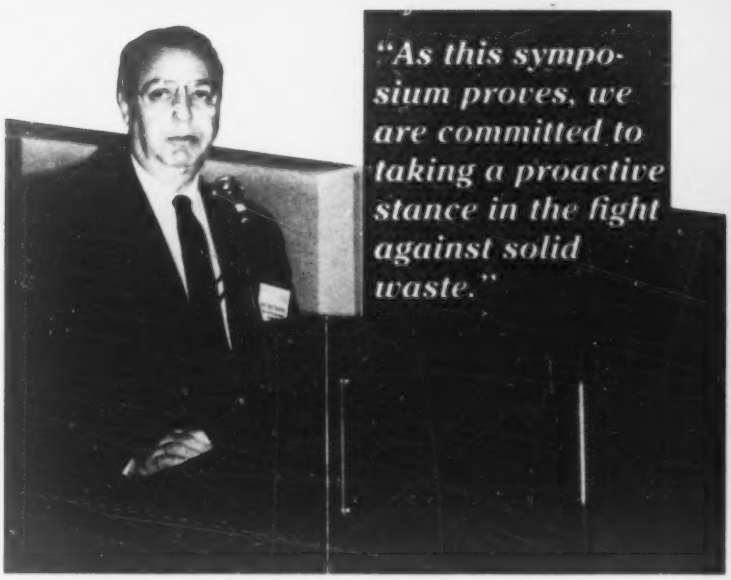
□ **President Bush proposes eliminating tax for alcohol sellers.** The fiscal 1991 budget President Bush submitted to Congress includes a plan to eliminate the $250 "Special Occupational Tax" (SOT) that alcohol sellers must pay each year. It proposes to shift the tax to alcohol manufacturers and wholesalers.

Although the proposal may not pass congressional muster, some type of action is expected this year. Little publicized before 1989 (when the rate shot up from a previous maximum of $54 a year), the SOT has come under heavy fire from retailers who are upset that the Bureau of Alcohol, Tobacco and Firearms (BATF) is sending them bills for years of unpaid taxes. Before BATF took over tax-collection duty in 1989, IRS had never even notified most retailers that the tax existed.

□ **Further cuts in the business meal tax break?** Number-crunchers in the Congressional Budget Office (CBO) have proposed raising $17 billion by 1995 by slashing the tax deduction for business meals to 50 percent—even though CBO warns that the proposal "could have negative effects on some restaurants." Among the 35 other revenue proposals CBO listed are sufi increases in beer and wine excise taxes, and taxes on some employee fringe benefits.

□ **INS adds new documents to list of acceptable employee I.D.** Employees who want to prove that they are authorized to work in the U.S. may now show employers two new forms of identification being issued by the Immigration and Naturalization Service (INS) to verify employment eligibility. The documents are numbered I-688B or I-766.

Denise Roach



This symposium made great strides toward helping operators sort through the information.

The legislative march

Top on the agenda was a state report from Michele Egan, government affairs assistant for the California Restaurant Association.

Because California is serving as the legislative bellweather state on environmental issues—just as it did with minimum wage and other crucial issues that affect the foodservice industry—Egan described the tidal wave of environmental legislation surging through her state.

In 1989, 18 bills that deal with the environment were presented to the California state legislature. The goal of the legislation is for California—which ranks second behind the United States as a whole in the amount of waste generated in the world—to reduce its solid waste by 50 percent by the year 2000. Egan was not optimistic that this goal will be reached, because, as she explained, "the legislation passes the problem back to the local governments." Even though each city and county is required to come up with recycling and source-reduction plans (reducing the amount of product packaging) by January 1991, there is no promise that these plans will fit into any kind of statewide plan, she added.

No centralized planning also poses financial problems for environmental programs initiated in California. "The local governments must handle the funding as well as implementation," Egan said. It is therefore no surprise that tipping fees (the cost to pick up and deliver waste to landfills) have increased greatly to help pay for the new programs. As Egan described it, "The situation is a nightmare" for foodservice operators, especially those who own units in several communities and are forced to deal with a hodge-podge of fee schedules and waste-disposal programs.

The situation that Egan describes is not only occurring in California. Multi-unit operators are already feeling the effects of solid-waste legislation that varies from community to community and state to state. Taco Bell is one chain that has struggled to meet local legislative requirements on packaging. Maryknoll Benner, Taco Bell director of field and regulatory quality assurance, described her company's exhaustive efforts to meet the requirements of a variety of local laws. For example, in order to open a unit in Glen Cove, New York, Taco Bell had to make 16 packaging changes—from eradicating plastic coffee lids to creating a paper burrito holder.

These changes created a 100 percent increase in packaging costs; but according to Benner, the result was worth the price. "We got the unit open, it was good p.r. and we did have increased customer counts." According to Benner, the learning process for Taco Bell has been arduous, but now the company feels positive about its environmental awareness and is taking a more-proactive, less-reactive, stance. For example, Taco Bell is investigating source reduction and is already sorting its waste for recycling.

But despite Taco Bell's positive response, Benner did return to the issue of who has responsibility. "We must communicate with politicians and let them know that the food industry should not be the only target."

Notes from the government

The government's view-

Ideas for getting involved

The solid-waste crisis will be solved through long-range planning on a community or regional basis—not overnight. But any environmentally concerned operator can contribute to the solid-waste solution immediately through some of the following approaches.

Community involvement:

1. Sponsor recycling pickups or city cleanup days.
2. Participate in your local recycling programs.
3. Volunteer your site as a collection location.
4. Sponsor a litter program, and pay cash for returned disposables with your name on them.

Purchasing:

1. Carefully evaluate your packaging for costly and environmentally irresponsible redundancies.
2. Consider the relative costs of durable goods and utensils versus disposables.

Menu planning:

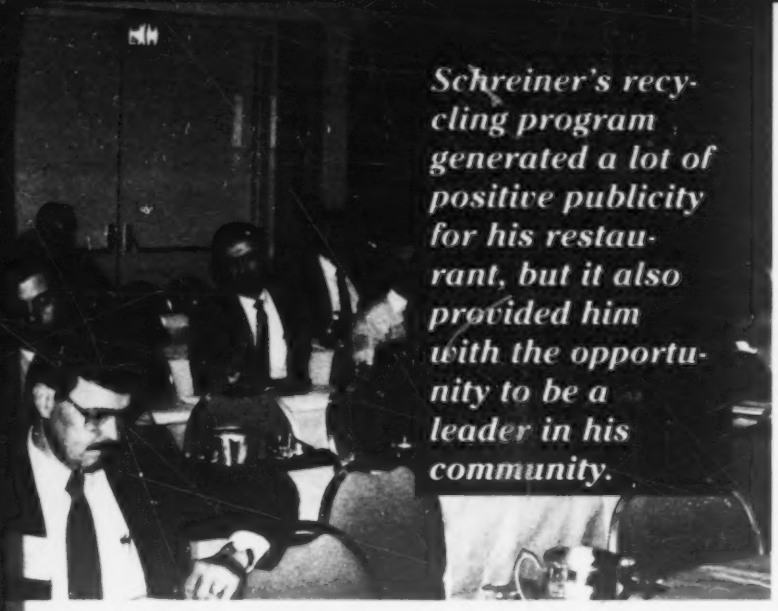
1. Consider printing menus on recycled or recyclable paper.
2. Review existing recipes to consider ways in which you can cut down on the amount of food you discard.

Source separation:

1. Train your employees to eliminate unnecessary waste.
2. Set up in-house separation for paper, aluminum cans, bottles and other recyclables.
3. Join with other operators and contract pickups for separated waste items.

Public education:

1. Monitor local and city councils and legislators pondering solid-waste management regulations. Speak out against unfair or ineffective measures and support responsible proposals.
2. Volunteer to head your city's litter task force.
3. Educate your local media about the true problems affecting solid waste.



Schreiner's recycling program generated a lot of positive publicity for his restaurant, but it also provided him with the opportunity to be a leader in his community.

point—from the local to the federal level—was well represented at the symposium.

Chip Foley, project director for the Source Reduction Council of the Coalition of Northeast Governors, brought an interesting perspective to the symposium. Speaking for a group that represents nine governors, Foley knows the meaning of cooperation. And it is that cooperative spirit that led to his group's forming a task force of manufacturers, suppliers and government officials to deal with the solid-waste issue. The first order of business was to focus on packaging issues, with an emphasis on source reduction.

By April 1989 the group had hashed out "preferred packaging guidelines" that included the advocacy of minimal packaging, returnable packaging and recycling. These guidelines were presented to the coalition as model legislation, and Foley was proud to report that eight of the nine governors had proposed or were planning to propose legislation based on the recommendations.

Foley's message to attendees was that they must work with industry to solve problems. "It is very difficult to get people from diverse interests to think along the same lines," he said. But as his group proved in formulating its guidelines, a cooperative effort has very powerful results.

Chris Rice, deputy administrator for the Environmental Protection Agency (EPA), urged attendees to make solving the solid-waste problem a personal goal. He told the assembly that his agency is working to change the way people think about trash. "We want to change the way Americans buy and think about what they buy," he said. The average person generates 3½ pounds of garbage a day.

Along with attempting to change public attitudes and actions, EPA is making recycling a priority—the agency would like 25 percent of the wastestream to be recycled. Rice admitted that in order to meet this ambitious goal there is a need to create markets for recycled goods. He advocated the idea of creating incentives for manufacturers to use recyled goods.

Senator Max Baucus (D-MT), chairman of the Environmental Protection Committee, outlined some of the legislation before Congress that deals with environmental issues. While fielding questions from attendees, Baucus admitted that legislative solutions to the solid-waste problem will directly affect small businesses, and he urged attendees to communicate with their representatives. "Tell us what answers are the best solutions," he said.

Hearing from industry

Manufacturers, suppliers, recycling organizations and solid-waste-disposal companies also had a say at the symposium. Here are some highlights from their discussions:

□ Jim Meszaros of Browning-Ferris, Inc., a large waste-disposal company located in Houston, told the audience about his company's success in implementing recycling programs in the communities it serves—930,000 homes are participating in curbside recycling efforts through the use of special trucks that sort the waste on the spot. He urged restaurateurs to look into recycling through three steps: (1) Classify the wastestream—"Get very specific; what kind of metal is there? What color is the glass?" (2) Look at storage space—"You might want to consider a glass crusher or a can flattener." (3) Investigate the market for recycled material in the area, and "Find out who will pick it up."

□ The Procter & Gamble Corporation sent Tom Rattray, associate director of its corporate packaging division, to the symposium to explain its environmental approach, which includes (1) source reduction—for example, reducing excess packaging by combining products, such as detergent and fabric softener, in one container, (2) product concentration—making a product smaller in size but stronger in nature, and (3) refillable/reusable packaging.

He spoke of successes in Europe—where waste-disposal fees are very high and consumers are extremely conscious of the environment. Rattray played a German commercial in which a family happily adds water to a concentrated laundry detergent in a reusable bottle and rolls the used package up into a tiny cylinder. Procter & Gamble is rolling out these packaging ideas slowly in the United States.

□ David Baker of Southeast Glass Recyclers enthusiastically explained how much a recycling program can pay off for restaurateurs through savings in tipping

Recycling saves money and does good

When the local chapter of Goodwill Industries in West Palm Beach, Florida, approached Manero's restaurant a year and a half ago and asked if it would participate in a recycling program, the timing couldn't have been better. Manero's had just been hit with an increase in tipping fees from approximately $30 to $70 a day and was trying to find ways to cut the cost.

The Goodwill in West Palm Beach collects sorted waste from local businesses for its own recycling plant. The plant processes bottles, aluminum and some cardboard to sell to manufacturers. The profits go back into the recycling center and to benefit Goodwill Industries.

costs and also in increased goodwill (see sidebar). His group passes out window stickers and table tents that say, "We recycle our glass bottles and jars."

What restaurants are doing

Two of the participating restaurateurs spoke of their companies' positive responses to the solid-waste issue.

Bernie Schreiner, owner of Schreiner's Restaurant in Fond du Lac, Wisconsin, has made a difference in his community. When the landfill in his town closed two years ago, forcing trash to be hauled to a site much farther away, Schreiner knew the situation would deteriorate.

Schreiner didn't want to wait for the situation to worsen. He created his own solution by building a $2,500 addition to his restaurant—a sorting shed for a recycling program he wanted to start. He hired a local contractor to pick up the sorted waste regularly. Things were going well until the contractor's recycled-material market dried up. "We could no longer recycle," recalled Schreiner, who was upset enough to call the local newspaper and suggest it run a story on the problem. The result was that the restaurant's regular waste hauler agreed to collect the sorted trash for recycling.

Schreiner's recycling program generated a lot of positive publicity for his restaurant, but it also provided him with the opportunity to be a leader in his community. He urged attendees to look at their own situations and told them it is better to be ahead of the movement, rather than trying to play catch up.

The other company to present its program was McDonald's, which sent Mike Donahue, manager of state government relations, to talk about its recycling program. "Recycling is the wave of the future," Donahue said. And, of course, taking an environmentally protective stance has helped McDonald's corporate image. "Customers have been very supportive of the program," Donahue claimed.

Where to go from here?

Despite the wealth of information presented during the symposium, many speakers acknowledged that there are many questions about solid waste that remain unanswered. For example, are the packaging substitutes really better for the environment than the plastic containers they are replacing? Or, will there be markets for all the recycled materials? There is still a great deal of uncertainty about where the environmental concerns that are riding a wave of popularity will take the nation and how they will drive the restaurant industry.

But this uncertainty can serve as a benefit to the foodservice industry. That solid-waste management policies are still in the formative stage makes environmental issues all the more timely for restaurateurs. "Our industry has an easy decision to make," said Bud Rusitzky. "Either we let the problem, the activists and the government control us—or we take an active role ourselves as part of the solution. As this symposium proves, we are committed to taking a proactive stance in the fight against solid waste."

—Elizabeth Wallace

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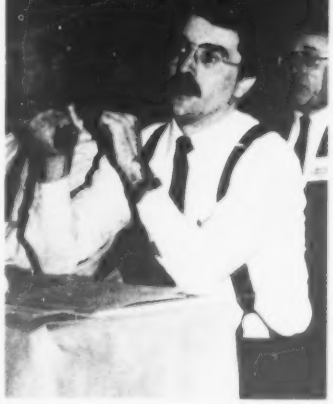


After Manero's signed on, the restaurant immediately saw a savings in its tipping fees. According to secretary/treasurer Joyce Thomas, the family steakhouse went from a daily pickup of a 9-cubic-foot dumpster to its present three-times-a-week pickup of two 3-cubic-foot dumpsters. "We estimate that we're saving between $21,000 and $24,000 a year," claims Thomas.

Originally, Goodwill offered Manero's cash for its recyclables—money the restaurant refused because it wanted to help Goodwill. Now, because the recycled-goods market is down in the West Palm Beach area, the plant can no longer offer money. In fact, the depressed market has cut back the plant's productivity to the point where it isn't breaking even. But according to plant manager Pat DiFaro, the situation should improve soon. "Mandated recycling is inevitable," he explained. "Eighty percent of Palm Beach County's municipalities are recycling in some form, and it is sure to increase." DiFaro is confident that the Goodwill plant will reap the benefits of having a program in place when businesses and private citizens are required to recycle.

Whatever happens to the local plant, Thomas says the staff at Manero's is committed to recycling and will stick with it—even if it requires driving farther to drop off the sorted waste. As Thomas explains, recycling is more than just a money-saving proposition for the restaurant. "All our employees try to be good citizens. As Americans we all have to pitch in to help solve this problem. Or else there just won't be any place to put the trash."

For more information

The National Restaurant Association offers an information packet containing the symposium proceedings and a booklet, *Managing Solid Waste: Answers for the Foodservice Operator,* which covers the solid-waste issue in detail. To order the packet, send a check for $36 to the National Restaurant Association, Department A-2010, 1200 Seventeenth St., N.W., Washington DC 20036. To order by credit card, call (202) 331-5985.

TABLE FOR ONE

SOLO DINERS—ONE WAY TO INCREASE YOUR MARKET SHARE

Traditionally, restaurants have taken the Noah's Ark approach to their clientele: Two by two is the best way to dine. Deuces are acceptable, foursomes or six to eight diners graciously welcomed, and single diners shunned. But restaurateurs are missing out on a sizable area of potential income by ignoring the ever-growing number of single diners. A welcoming attitude and seating alternatives can do wonders to bring in this market.

Toni Erlich, a New York City–based management trainer, will never forget one business trip in which she dined alone at a medium-priced restaurant near Cape Cod. Arriving at dinnertime, when the restaurant was filled with couples and foursomes, she was greeted by the proprietress, who shoved a menu in her hands and exclaimed, "Are you alone?" When Erlich said that she indeed was, the owner yelled to a waiter at the opposite end of the restaurant, "Table for one, please." Feeling as if she wanted to sink beneath some boulder, Erlich stumbled to her seat as other patrons stared at her.

Erlich is typical of solo diners who avoid dining at fine restaurants because they are made to feel unwelcome and opt instead for fast food and other lower-priced eateries, or in the case of many business travelers, room service. Art Fischer, director of The Single Gourmet, a nationwide organization that encourages single people to combine dining in high-quality restaurants with the possibility of meeting each other over dinner conversation, has spoken to thousands of single diners. Most avoid dining out in premium restaurants because of the way they are treated. Greeted by a frown from a maitre d' or hostess or a chagrined look from a server, the single diner is being sent a clear message: Come back with a friend.

Gary Stern is a freelance writer in New York City.

In addition, Fischer says, since restaurants prefer serving couples and foursomes (because they fill tables and bring in more revenue), smaller tables are usually squashed together in the dining room's worst setting. "A single person will tip much better if he or she is given a nice table and decent treatment," says Fischer. Trainer Erlich agrees, saying, "I don't want any special treatment. I just want to be treated like anyone else who dines out."

Training staff to be sensitive

So what can a restaurateur do to make solo diners feel at home? The first step is to be welcoming, and that attitude has to come from management. How this can be implemented is illustrated by Hat Dance, a Mexican-Japanese restaurant that is part of the Lettuce Entertain You Enterprises organization in Chicago. Managing partner John Buchanan says that staff at Hat Dance receive special training to enable them to be more sensitive to the needs of solo diners. To avoid having the solo diner feel singled out, the staff at Hat Dance use special nonverbal signs that are sent from the host to the server or buser to inform them that a solo diner is coming. Thus the server doesn't have to ask, "Are you alone?" The signals, Buchanan says, are comparable to a third-base coach giving a sign to a batter in baseball. Trained to welcome solo diners, hosts greet them in a way that suggests, "We're glad to have you here" instead of sending covert messages suggesting that "I don't like the fact you're dining by yourself," he says.

Starting up innocuous conversations with solo diners is another way that Hat Dance's employees encourage the solo diner to feel comfortable. "Are you enjoying your taco?" might be a question a waiter or host will ask to help someone feel at ease. Buchanan warns, however, about patronizing the single diner and making one's comments too obvious.

To make singles feel at home, Buchanan says, he will often seat them in booths rather than in corner tables outside the kitchen. Because most single diners come prepared with a magazine or newspaper or work, dining in a booth affords them ample space to stretch out and feel comfortable. Because he is sensitive to waitstaff's tips, he will distribute solo diners throughout the restaurant so servers' tips aren't curtailed by serving a disproportionate number of solo tables.

Design can help

Designer Adam Tihany, who has designed such restaurants as Le Cirque, Bice and Hubert's in Manhattan, says that a restaurant's design can give an owner flexibility to appeal to single diners. For example, in his design of the Drake Swiss Otel in Manhattan, there's a lounge that includes smaller, lightweight tables, which can be moved together to accommodate a table for one, two or four people. This design has proven extremely effective at breakfast and lunch, when solo business diners patronize the restaurant in large numbers (though one at a time). Another design idea that yields flexibility for single diners, Tihany says, is a banquette, an upholstered sofa that runs alongside a wall that forms a long seating surface, where smaller tables can be placed to accommodate from one to four people.

Tihany also tries to work in smaller tables for two—where a solo diner would feel comfortable—throughout restaurants he's designed. He prefers not to "segregate" single diners in one area, which makes them appear different from other patrons.

In Remi, the restaurant that he owns on Manhattan's upper east side,

Appealing to singles in groups

One way to reach single diners is to appeal to them in groups through organizations like The Single Gourmet, a franchise of single diners interested in meeting one another, located in such cities as Boston; Chicago; Dallas; Fairfield, CT; Houston; Los Angeles; Minneapolis; New York; Norfolk, VA; Phoenix; Richmond, VA; San Diego; San Francisco; and Seattle; as well as Ottawa, Ontario; and Victoria, British Columbia. Co-director Art Fischer notes that rarely does a restaurant owner solicit them. Yet the outings can number more than 100 a year, as they do in New York City. No type of restaurant is excluded.

Groups of from 25 to 50 (in New York City it's 60 to 100) dine at a variety of restaurants—from expensive French meals to ribs and down-home cooking. Single Gourmet and the restaurant owner always determine an agreed-upon price for a full meal, including tax and gratuities (which makes splitting the check and collecting money much easier). Sometimes the meal includes drinks, and occasionally it involves special wine-tasting features. Groups always come early, though, and have drinks at the bar.

"We're always looking for different places," says Fischer. The group rarely visits a restaurant more than once in the same year.

Tihany appeals to single diners by promoting what he calls a "neighborhood feeling." He encourages single diners to use the restaurant as a European cafe, bringing a book and lounging there for as long as they want to dine.

Other seating options

Single-dining areas. Realizing that its hotels and restaurants are increasingly being occupied by business travelers and local singles, Marriott Hotel restaurants have targeted solo diners. Ninety of Marriott's 188 hotels have special sections set aside for single diners, reports Sandy Johnson, Marriott's manager for group market public relations. A number of restaurants have special single-dining areas that include tables set along the window. Often the tables are designed front to back, so diners won't awkwardly have to face one another. In many Marriott restaurants, courtesy magazines and newspapers are placed on the table designated for single diners to occupy their attention during the meal.

And Marriott's latest innovation is to create a solo-diner's section with a large television screen in the room's center, so patrons can watch television just as they would at home. This special marketing to solo diners, suggests Johnson, "says to everybody that these people are accepted and wanted and taken care of just like any of our customers."

Dining at the bar. When Aurora, an upscale midtown Manhattan eatery, was planned by restaurant consultants Joseph Baum and Michael Whiteman Associates, the restaurant's design aimed to appeal to solo diners. That is why in the middle of Aurora's dining room is a horseshoe-shaped bar, made of polished granite, which looks like the restaurant's centerpiece. At lunchtime, place settings are laid out at the bar and many business people dine alone, perusing their work from the morning. Single women especially find it very comfortable dining alone at the bar where they will not be disturbed.

"What makes it awkward for solo diners is sitting at a table for two," notes Michael Whiteman. "You're clearly alone. We designed the bar to be as sumptuous as possible. We are sensitive to the fact that there are large numbers of single people and that they need to be accommodated gracefully, rather than be treated as second-class citizens."

A special room. Diners know they can come to Strings, a fine-dining restaurant in Denver, by themselves and be welcomed. To make diners feel at ease, Strings has designated a special room, called the "umbrella" room, which has special paper-globe lighting and more upbeat music than the rest of the restaurant, to encourage singles to feel at home. Singles can dine on pasta and a glass of wine for less than $10 or veal chops for less than $25.

A table for one. Zuni Cafe, located in downtown San Francisco, has tried perhaps one of the most radical ideas to accommodate solo diners: a table for one. Floor manager Barbara Haimes explains that the table for one arose because of a quirky space that could fit only this snug-fitting table. It's proven so popular that the table for one is always occupied. "That table for one sends a message that solo diners are welcome," she says.

Communal tables. Taking a different approach is Sandro's, an upscale Italian restaurant in Manhattan. It has created one communal table to accommodate singles who can enjoy the fellowship of the table with other solo diners. Although many friendships have been made at the table when the chemistry is right, not every solo wants to socialize. And often no one wants to be the first person seated.

In fact, Leon's restaurant in Plainfield, New Jersey, which also tried communal tables, abandoned the project because of lack of interest. Designer Tihany has shied away from communal tables, because in his experience most single diners are not extremely social and would prefer to be left alone with their books or newspapers.

But there may be more support for communal dining tables than restaurateurs think. A widow wrote in to "Dear Abby" recently suggesting that restaurants set up a table for "maverick diners" to share their meals and friendly conversation. Abby endorsed the idea and said other readers in the past have supported the concept.

Why bother with singles?

Enterprising restaurateurs recognize that by appealing to solo diners, not rejecting them, they can increase their business. Studies by the National Restaurant Association reveal that solo diners—often professionals in their 20s and 30s—spend more than half their food budget in restaurants. (Married couples spend close to 37 percent of their food budget dining out.) And the number of solo diners—now approximately 20 million people—is rising.

As Hat Dance's John Buchanan says, a single diner who likes your restaurant may return again—alone or with friends. And repeat business is what keeps restaurants alive over the long haul. ❑

GOLD AMONG THE SILVER AND GRAY

HOW TO MARKET IN AN AGING AMERICA

by Julie Fintel

Soft color combinations. Traditional foods. Easy-to-read menus. Minimal background noise. These are just a few of the changes restaurateurs can consider if they want to attract the burgeoning 50+ crowd, who have the time and money to eat out often.

The graying of America has begun. More than 60 million Americans are now at least half a century old. Their numbers increase by 6,000 every day, and in less than seven years, the top edge of the baby-boomers will themselves be joining the "over-50 club."

According to Ken Dychtwald, Ph.D., and Joe Flower, the authors of *Age Wave: The Challenges and Opportunities of an Aging America*, Americans older than 50 will turn out to be the most powerful and affluent consumer group in history—a virtual marketing tidal wave. They now represent only 25 percent of the total U.S. population; but by the year 2040, that proportion will have grown to nearly 30 percent. They already have a combined personal income of more than $800 billion and control 70 percent of the total net worth of U.S. households—nearly $7 trillion. And the proportion of wealth they possess is predicted to grow.

Smart restaurateurs will begin now to learn how to market their products to these mature citizens, especially in view of the fact that 50+ consumers are more interested in using their money to purchase experiences

Julie Fintel is a communications specialist at the National Restaurant Association.

Richard Parisi

rather than things—and one of their favorite experiences is eating out.

Know your market

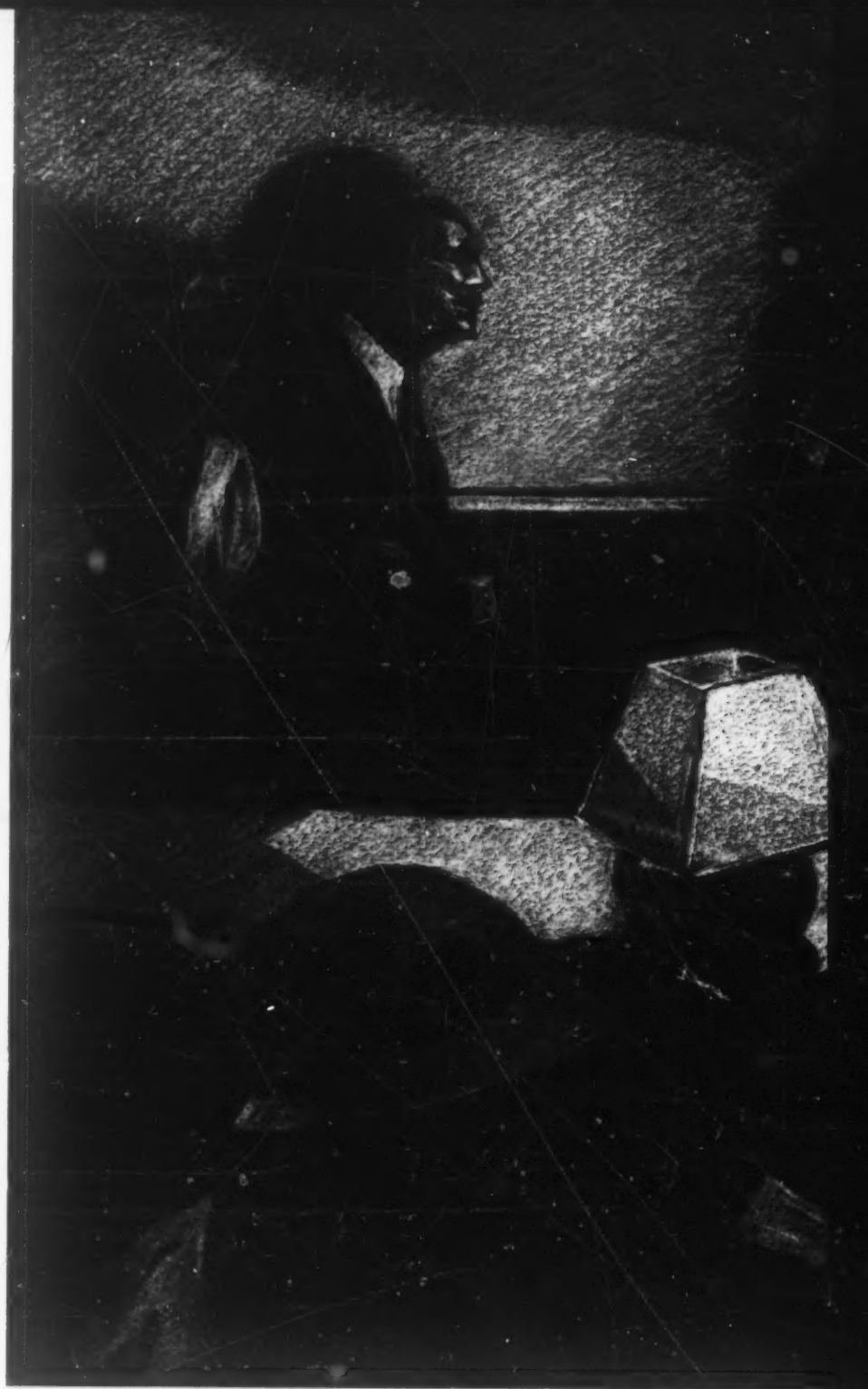
Catering to these older diners isn't just a matter of adding softer foods to your menu. Don't make the mistake of thinking all persons over 50 have the same likes and dislikes, the same lifestyles or even the same incomes. In *Psychology Today*, noted social gerontologist Bernice Neugarten likened people's lives to the spreading of a fan. She said that the longer people live, the greater the differences between them, as a result of a lifetime of differing experiences. In other words, 18-year-olds are more alike than 68-year-olds. So it's a good idea to get rid of stereotyped ideas about aging. Poor health, declining mental faculties, reclusiveness and a dislike of physical activity may be true for a few mature citizens, but by no means do these qualities define the majority. Men and women over 50 are regular participants in the Boston marathon, take college classes and are an important part of the workforce.

In fact, New York–based market-research expert Judith Langer believes it's a mistake to view seniors as a homogeneous group even within age groups. "Instead of marketing just by age, think in terms of market segments cutting across age groups: market to the health-concerned, or to the adventurous or to people who live alone," she advises.

Developing successful programs for the 50+ market means learning how the needs of this age group differ from those of their younger compatriots, especially in your area. In his book, *Successful Marketing to the 50+ Consumer*, Jeff Ostroff lists some ways to identify mature-market needs:

□ *Conduct research.* For an overall picture, use primary research techniques, such as surveys by telephone, direct mail or one-on-one interviews. Or use information gathered by professional media, government agencies, trade and professional organizations, academic and research organizations, marketing-research firms, seniors' organizations, etc.

□ *Analyze purchasing data.* To zero in on needs of senior patrons in your area, find out how much older patrons normally spend in your restaurant, which menu items they order most, what they tend to complain about and how they heard about your restaurant.



□ *Listen to customers' comments.* Feedback is one of the best ways to find out "how you're doing." Never dismiss the complaint of an older person out of hand, writing it off as "senility."

□ *Read mature-market publications,* such as *New Choices* and *Modern Maturity* (see sidebar on page 22).

Use a positive approach to marketing

It's important that any marketing efforts be sensitive to the self-image older Americans have. Many seniors don't even see themselves as old; no matter how they look on the outside,

they think of themselves as being young. Ostroff warns: "By failing to recognize the internal youthfulness felt by most older persons, your business will seriously undermine its mature market success." Let your customers know you view the mature years as a time for new challenges, growth and achievement. Be sure that any advertising you do reflects this positive attitude.

Popular restaurants for the 50+ crowd

National Restaurant Association studies are one source for learning more about the preferences of the mature market. One major finding of a 1989 association CREST* study was that midscale restaurants are more popular with older consumers than with the population in general. Thirty-six percent of eater occasions for the 55 to 64-year-old group and 46 percent of occasions for consumers 75 years old and older were in midscale restaurants. Twenty-five percent is the proportion for the population in general.

Another National Restaurant Association study revealed that customers older than 60 tended to dine at self-service cafeterias/buffets more than sit-down or fast food restaurants. But those 50 to 59 preferred sit-down restaurants with a check size of more than $10. Patronage of quickservice declines with the age of the diner—from 79.1 percent of eater occasions for adults 18 to 24 to 47.5 percent for patrons 65 to 74 years old.

Winning food, service, decor elements

Although it would be a mistake to say "all persons over 50 years old like all the same things," studies have pinpointed some of the tastes and preferences shared by a large proportion of the older crowd.

A National Restaurant Association CREST study found that the dishes preferred by older patrons include beef entrees, nonfried fish and poultry items, salads, nonfried potatoes, vegetables, soups and nonfrozen desserts.

Although traditional foods are the favorites of seniors, they are willing to try different things. According to a National Restaurant Association study of consumers 55 years old and older, more than half have tried Chinese, Italian and Mexican foods. One out of four reported liking hot and spicy dishes.

This willingness to experiment is also clear in a "geromarket" study conducted by Goldring & Company, Inc., in Chicago. Within a 12-month period preceding the survey, 34.1 percent of 50+ consumers had tried a new brand of ice cream, 30.5 percent had tried a new brand of soft drink and 22.2 percent had tried a new brand of frozen fruit juice.

A 1989 CREST study indicates that mature patrons today are eating more

**CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

pizza, hamburgers and french fries than their counterparts in the past, although those foods are still more popular with the younger crowd.

Like the rest of the population, members of the 50+ market are interested in health and nutrition, but perhaps more so since they may have some health problems that make special diets imperative rather than optional. They tend to favor foods that are low in cholesterol, salt and calories and appreciate having nutritional information available to them.

Lawrence DeGeorge, owner of DeGeorge's Lakeway Restaurant in Ashtabula, Ohio, changed his menu to include more healthy foods a year ago. The 58-year-old DeGeorge had had a heart attack and had been told that a proper diet was a vital part of his recovery.

In addition to preparing dishes according to American Heart Association guidelines, DeGeorge's menu offers Promise margarine, dietetic salad dressings and salt substitutes. A note on the menu assures customers that foods are prepared with all-vegetable, no-cholesterol cooking oils and margarines; little added salt and defatted gravies and sauces.

Since he changed the menu, business has really taken off, DeGeorge says. He is attracting not only more older customers but more younger ones as well, and business is not as spotty. The older patrons come during the week and eat earlier in the evenings, whereas the younger crowd prefers to dine after 7 p.m. and favors weekends.

DeGeorge has noted that both groups like to take a vacation from their diets when they eat out, especially if it's a special occasion. That's why his menu also includes items like homemade cheesecake.

Because a declining appetite is a part of the aging process, senior customers often opt for smaller portions.

SENIOR PROS OFFER FREE BUSINESS HELP

Facing the challenges of a stiff competitive environment, restaurateurs need all the help they can get. Yet often they have no one to turn to for advice.

It may be time to say good bye to the small-business blues. One of the best sources of business advice is the Small Business Administration's Service Corps of Retired Executives (SCORE).

This nonprofit group of more than 13,000 retired business executives is helping small businesses prosper. Founded in 1964, SCORE offers free business counseling by men and women who have had successful careers as company executives or owners of their own businesses.

SCORE has counselors in all 50 states as well as Puerto Rico, Guam, the Virgin Islands and the District of Columbia. The organization matches its counselors' specialized experiences to the particular problems or needs of people wishing to use the service. "Name your business, and there's a SCORE counselor who talks your language," is an organizational motto.

Last year SCORE provided more than 300,000 small-business owners with help ranging from one-on-one counseling to classroom-style workshops.

SCORE helps restaurateurs

Foodservice operators have been avid users of SCORE services, says Paul Kirschner, SCORE's national marketing director. The expertise of SCORE counselors can make the difference in areas ranging from expansion plans to budgeting to personnel matters.

Jeffrey Miller, of Miller Catering in Philadelphia, used his SCORE counselor as a sounding board when trying to decide how to expand after several years in business. "Thanks in part to him, I'm now doing all the catering for a local mansion rented out for special occasions," says Miller. "He's been in the business twice as long as I've been alive," Miller says of this SCORE counselor, with whom he has worked for five years. "He hasn't steered me wrong yet."

Often the most helpful advice SCORE volunteers give their clients boils down to small trade secrets. Bobbi Myers, co-owner of Murphy's Deli and Pub in Louisville, Kentucky, said her SCORE counselor advised her against installing carpeting near the self-serve drink dispensers, recommending tile floors instead. "It could have been a real mess if we went with our original plans for carpets," notes Myers.

SCORE counselors are willing to help clients for as long as necessary. Myers's counselor, for example, calls regularly just to check on business.

Shirley Henderson, owner of two Lip Lic'ns restaurants in Philadelphia, first contacted SCORE after seeing a television ad. She has gotten help from her SCORE counselor on developing job descriptions for employees and learning how to place food orders. "There are so many things small-business people don't know when they are starting out," says Henderson. "SCORE can really save you headaches."

Walter Conti, owner of Conti's Cross Keys Inn in Doylestown, Pennsylvania, tailors his food to the special likes of his older customers. "We give them smaller portions. We give them items they are able to eat—although chefs may cringe, we cook the entrees and vegetables more. We make sure the fish has no bones. We make meats that are easy to chew, such as beef stews and broiled chicken. We offer simple desserts, such as bread pudding, lemon meringue pie, mousse and ice cream. We do not offer seniors big hoagies or thick-sliced beef sandwiches they cannot eat or chew."

Conti's mature patrons also prefer weekdays to weekends, and lunch is more popular than dinner. "Their doctors advise them to eat lunch as their main meal of the day," Conti notes. "They like driving during daylight, too." The retirees now have the time for a long, leisurely lunch. If they do eat out for the evening meal, they are likely to come in the early evening, which makes them a good target for early-bird specials.

Americans older than 50 will turn out to be the most powerful and affluent consumer group in history—a virtual marketing tidal wave.

Older people want comfort

Decor is important when attracting seniors. "One thing we know is that older people want comfort," advises American Express's *Briefing* newsletter. "Make your seats a comfortable height; have pleasantly bright lights; use easy-to-hold stemware; put levers on your restroom doors; have good acoustics so people can talk quietly, yet hear easily; and tone down your music." You might also consider providing a host table for single diners, because many older people like company when they dine.

In Ft. Lauderdale, Florida, Newman's La Bonne Auberge, owned by Katherine Webster and Ed Newman, was redecorated a couple of years ago with an older clientele in mind. Soft colors, traditional furnishings and cove lighting give the restaurant a conservative, cozy look. Contrast that with a restaurant in Jacksonville, Florida, designed by the same firm, but targeted to young professionals instead of the older crowd. That restaurant has a high-tech look and a color scheme of pinks, plum and teal—a Miami-Vice decor many older customers would find too flashy.

George D. Nadvit, senior vice president, operations, of Arby's, Inc., in Atlanta, confirms this. "Older Americans definitely prefer comfortable and casual dining experiences. We worked to build more comfortable dining areas with padded seating, carpeting, softer music and more pleasing decor to encourage them to sit and eat and talk. Our new decors in muted and pastel colors have gone over very well in Phoenix, where we have a very solid group of senior customers."

Dianne Davis, president of Interna-

Types of service available

SCORE's assistance includes a wide range of services:

□ **One-on-one or team counseling.** SCORE offers management assistance in business planning, finding financing and other areas. Counselors can help with both specific problems and longer-term needs.

□ **Workshops.** Each year SCORE provides more than 3,000 workshops across the nation on such general subjects as marketing, as well as on more specific topics like inventory control or employee policies. SCORE offers several workshops geared specifically toward foodservice operators.

□ **Information.** SCORE resources can help small-business owners learn where to hire and how to use the professional services of lawyers, accountants, advertisers and other professionals.

Where to call

To tap this source of free professional help, contact SCORE's national office in Washington DC at (202) 653-6279. Or call the Small Business Administration's Answer Desk at 1-800-368-5855 for help locating the SCORE office closest to you.

—Stephanie Gordon

Are discounts desirable?

Older people are commonly viewed as being on a fixed income and primarily interested in bargain meals. Although this is true of some, it is certainly not true of all. Many 50+ individuals have had time to accumulate a nest egg. Households headed by persons 55 years of age and older whose children have left home are a particularly strong market for restaurateurs. For example, according to a 1987 study by the Bureau of Labor Statistics, empty-nester households headed by individuals 55 to 64 years old with incomes of more than $50,000 spent 48 percent of their annual food budgets for food away from home. That figure jumped to 52 percent when the age of the household head was 64 to 74 years old—the highest percentage for all the age groups.

For many mature consumers, value, or the quality of the product, is just as important as finding a low price. A study by Strategic Directions Group, Inc., a Minneapolis-based marketing firm, suggested that the use of coupons and discounts to attract seniors may be unnecessary. It found that only one-third of the over-50 people surveyed were highly interested in such discounts; this segment did not have the lowest annual household income and currently eats out as frequently as the other segments surveyed. "It is possible that restaurants are discounting meals to attract customers they already have," the study concluded.

Author Jeff Ostroff says that some older consumers are often suspicious of special price breaks. He advises a "value-added" approach instead. For instance, a free dessert with dinner may be more effective than a dollar off the price of that dinner.

tional Team Associates, a hospitality consulting firm in New York City, adds other suggestions:

□ When taking an order, the server should stand facing the customer to minimize hearing difficulties.

□ Avoid glossy surfaces that create glare on your menu. Use large print.

□ Provide adequate lighting. Spotlights and indirect lighting can help patrons see menus more clearly. If your restaurant has a low-lit romantic setting, offer pen flashlights.

□ Pay attention to your flooring to avoid liability from falls. Uneven surfaces, rough tile floors or carpeting with confusing patterns can be culprits.

□ Use vertical blinds and tinted glass on windows to avoid glare.

□ Use color-contrasted china and tablecloth. White on white can confuse failing eyesight.

Establishing rapport with key groups

A one-on-one contact and the resulting word-of-mouth advertising is one good way to sell your restaurant. But making contacts with specific individuals or groups is another effective way to reach the older market. There is probably at least one retired-persons' club in your town. Get together with a key person in that club to plan a joint activity at your restaurant. In addition to organizations for older adults, government agencies, religious groups, unions, academic institutions and service organizations like the Kiwanis and American Legion could be other good points of contact.

A list of key persons in the lives of older individuals would be incomplete without mentioning family. Many mature adults live with sons or daughters or see them regularly. Adult children often do things with their parents, and going out to eat is a favorite activity. Adult children also make recommendations to their parents. That's why it's a good idea to design at least some of your advertising and promotions to appeal to both generations.

Grandchildren hold a special place in the lives of older Americans. Grandparents Day, the first Sunday after Labor Day, commemorates this tie. Set-price specials on brunch or dinners, buffets, special menus, reduced rates for children, and take-home family photographs are just some of the many ways restaurants persuade the whole family to celebrate the day by having a meal out together.

Pamper your mature customers

Your older customers may not like being separated from the mainstream, but that doesn't mean they don't enjoy being catered to. Keep in mind that the baby-boomers, a generation that has always been catered to, will expect this special treatment to continue when they reach 50+. Also, many seniors grew up in a time before self-service was so well accepted; customer service was taken for granted then, and they still expect it and appreciate it now.

Conti goes out of his way to welcome the large number of his customers who are older. "We often serve groups of active seniors in their 90s. Why do they come here with their walkers, their canes and their wheelchairs? We treat them all like family. We give them the best tables; we make everything accessible; we make it possible for them to function easily and comfortably. We help them with their chairs, adjust their lights. We fuss over them like they were our grandmoms. When they leave, we thank them and give them a big hug. Treat seniors well, and they will be the most loyal customers you ever have," says Conti. ❑

To find out more

Although numerous general-interest, business, marketing and human-resources publications provide information that in one way or another is useful to those who market to the 50+ consumer, generally speaking, their coverage of the mature market is sporadic or sketchy. Thus businesses that want to keep in closer touch with mature-market activity should use other periodicals to supplement these general reading materials. The following list identifies those that you may find particularly helpful.

Magazines/newsletters for the mature market

□ *Golden Years*, P.O. Box 537, Melbourne, FL 32902-0537; (407) 725-4888.

□ *Grandparents Today*, 249 W. 17th St., New York, NY 10011; (212) 689-3600.

□ *Mature Outlook*, 6001 North Clark St., Chicago, IL 60660; 1-800-336-6330.

□ *Modern Maturity*, 3200 E. Carson St., Lakewood, CA 90712; (213) 496-2277.

□ *New Choices*, 28 W. 23rd St., 10th Floor, New York, NY 10010; (212) 633-4600.

□ *Renaissance*, 7 Ash St., Salem, MA 01970; (617) 744-9799.

Magazines, newsletters and journals primarily for those who employ, serve or market to the mature adult

□ *Aging Magazine*, Superintendent of Documents, Government Printing Office, Washington DC 20402-9371; (202) 245-0352.

□ *Aging Network News*, P.O. Box 1223, McLean, VA 22101; (703) 734-3266.

□ *Generations*, American Society on Aging, 833 Market St., Room 512, San Francisco, CA 94103; (415) 543-2617.

□ *The Gerontologist*, 1275 K St., N.W., Suite 350, Washington DC 20005; (202) 842-1275.

□ *Newsletter of the Mature Market Institute*, 20 Chevy Chase Circle, N.W., Washington DC 20015; (202) 363-9644.

□ *Older American Reports*, Business Publishers, Inc., 951 Pershing Dr., Silver Spring, MD 20910; (301) 587-6300.

□ *Perspective on Aging*, 600 Maryland Ave., S.W., West Wing 100, Washington DC 20024; 1-800-424-9046.

□ *Selling to Seniors*, 8204 Fenton St., Silver Spring, MD 20910; (301) 588-6380.

□ *Senior Market Report*, 314 W. 53rd St., Suite 205, New York, NY 10019; (212) 974-3285.

—Jeff Ostroff, *Successful Marketing to the 50+ Consumer* (Prentice-Hall, 1989)

VIEWPOINT

HOW TO DISCOUNT YOUR PRODUCT WITHOUT SABOTAGING YOUR IMAGE

by Tom Feltenstein

As competition in the fast food segment heats up, some chains are relying more and more on coupons and special discounts to draw sales. Although in the short term discounting can be effective in getting consumers to try a new product, this tactic cannot be counted on to maintain sales.

We could learn from the cruise industry, which has discovered consumers are indeed trainable. A major cruise line will announce its summer schedule well in advance and do all it can to persuade travel agents and passengers to book early.

Then, as summer approaches and berths go unfilled, the cruise line will slash its fares by as much as 50 percent. The result is passengers learn to book late rather than early, giving the cruise industry's financial planners one nightmare after another.

Discounting does not build loyalty

The same is true of fast food customers. When given coupons for pizza or chicken dinners often enough, they eventually learn not to buy such items without a discount. Discounting, contrary to popular belief, does not build product loyalty.

The sole purpose of discounting is to drive customers into the store. The rest—add-on sales, building customer loyalty and encouraging repeat visits—are challenges the store owner must meet after the customer arrives at the counter.

The trick is to discount in such a way that you do not sabotage the integrity of your menu. Disguise the lure so that it is perceived as something other than an attempt to discount mainline items.

Customers identify with products on a number of levels, including taste, appearance, aroma and, of course, price. Customers always want to get what they paid for, sometimes even a bit more. If you offer your product with a cents-off coupon, customers perceive that as a value.

But over time, discounting is bound to raise a question in the consumer's mind about the integrity of your pricing structure. If an ice cream cone sells for $1.25, that tells the consumer an ice cream cone is worth $1.25.

However, if you continue to offer 25-cents-off coupons, the customer begins to feel that ice cream cones are worth no more than $1. If such promotions continue, this will be the price consumers will expect to pay.

Once a retail price has been selected for a menu item, that price should never be discounted. A product's price is part of its position in the marketplace, and discounting it will have a detrimental effect on the perception not only of that item but also of your whole store or chain.

The bottom line is that any promotion that weakens the integrity of your store's retail-price structure violates sound marketing principles.

How to discount

If you are going to discount, you should put together a package separate from your regular offering, which will not negatively affect your customers' perception of the value and price of your menu.

In the case of new items, establish a retail price in your mind, then offer a reduced price as an introductory offer only. After a predetermined period, bring the price up to the retail level you had set prior to the discount.

Better yet, offer to give away one new item free for a limited time, which will encourage people to come to your store and, ideally, lead to sales of other items.

The fact is, discounting to an already existing customer base offers no benefits such as increased trial or repeat business. Instead, it may erode years of positioning efforts.

If you intend to rely on discounting promotions, take a longer look at your operation. Don't use discounting casually to build sales. The long-term effect will be reduced respect for your menu and pricing structure.

Use the promotions to generate traffic during specific periods, to build interest in new products or even newly refurbished stores. And remember, once you get your customers into the store, it is going to take more than a cents-off coupon to keep them coming back. ❑

Tom Feltenstein, a former marketing executive with McDonald's Corp. and Burger King, is founder, chairman and chief executive officer of American Restaurant Marketing Group, based in West Palm Beach, Florida.

FUN-

GIVE T GIMM

by Nancy

The world's largest ice cream cone, a live cow on opening day, a chopped-liver sculpture of Brooke Shields. Such gimmicks—or "media events," as public-relations people call them—are designed to get publicity for your restaurant. They're usually inexpensive, creative and funny. They can increase customer traffic or raise revenue for your business. But gimmicks—if not well planned and executed—can bomb or, worse, embarrass your restaurant. Diane Shrago, senior vice president of S&S Public Relations, Inc., well known for the gimmicks it has staged in the Chicago area, offers some guidelines to follow when creating the ultimate gimmick.

□ Gimmicks are risky, says Shrago. They have to be extremely well planned from start to finish, or the desired effect could backfire. Gimmicks should also be used only occasionally. Sponsoring a different gimmick every month, for instance, could diminish the effect.

□ A gimmick should be outrageous but not offensive. Often there is a fine line between the two, and "you have to be very careful not to step over that," says Shrago. Ask employees or friends to tell you what they think.

□ A gimmick can be offbeat, however. Stephen Beninati and Richard Nicotra, founders of Everything Yogurt, caused a stir when the 1976 grand opening of their first store in Manhattan featured a live cow. The stunt caught the attention not only of startled passers-by but also of the *New York Times*, which covered the event after hearing that a live cow would be grazing in front of the newly opened store. It was the first time that many New Yorkers had ever seen a cow in the flesh. Because of the promotion's huge success, the Staten Island-based company adopted a cartoon rendering of the cow as part of its logo. A live cow has made guest appearances at many of the company's 250 frozen-yogurt/sandwich stores around the country.

□ The best gimmicks are timely and pertinent. You want people to associate the company with the gimmick when they talk about the event. Shrago recalls a hit gimmick that was not only outrageous but timely. When S&S Public Relations was a start-up company, it represented Mel Markons, a small restaurant in Chicago that was widely known for its chopped liver. The president of S&S, Steve Simon, arranged to have a local artist fashion a sculpture of Brooke Shields (because she was very popular at the time) out of chopped liver. He paid the artist $200 for his work. The chopped-liver sculpture was pictured in *People* magazine and warranted one of *Esquire* magazine's "Dubious Achievement" awards.

□ "The biggest is always the best," says Shrago. Nothing attracts the press more than touting a gimmick as the biggest in the world. Shoot for the *Guinness Book of World Records*, the encyclopedia of gimmicks and crazy stunts. S&S once built the world's largest ice cream cone for Gertie's Ice Cream Parlor in Chicago. It stood 10 feet tall and was filled with more than 50 gallons of vanilla ice cream. It cost less than $1,000 to build: the cone itself cost only $200.

Max Karl Winkler

□ Make sure the press knows who's sponsoring the gimmick. Sometimes the gimmick itself can attract so much attention that the sponsoring company or organization is overlooked by the press.

□ If your gimmick gets widespread, good publicity, be prepared for a huge influx of orders, calls and customers. Not being prepared can kill your business. Several years ago, S&S came up with an idea for "fortune bagels"—the Jewish equivalent of fortune cookies—for Simon Brothers Bakery in Chicago. The gimmick was such a success that the company nearly went bankrupt.

A Chicago TV reporter for an NBC affiliate had done a segment on the fortune bagels, and the story made its way to Linda Ellerbee, who anchored the show "Overnight." She opened up several bagels, which contained fortunes in English and Hebrew, on national television. Associated Press and United Press International wire

AND THEY'LL GI

Nancy Croft Baker is coauthor of the ***Frugal Marketer*** *(1989: AMACOM, New York), a book filled with marketing ideas that are easy to adapt.*

HEM A MICK

oft Baker

services also picked up the story and sent it to newspapers across the country. Orders for the fortune bagels poured in; and the little bakery—though it tried valiantly to honor the orders—couldn't keep up. "It was an idea that should have been done by a much larger company—one that could have handled all the orders," Shrago says. "Unfortunately, they weren't able to capitalize on their good publicity."

□ Look for photo opportunities. Local newspapers are always looking for good photo fillers, and gimmicks should always lend themselves to a good shot. Sonic, a chain of drive-in restaurants based in Oklahoma City, Oklahoma, credits its success to feeding people's love of nostalgia. The 1,000-unit fast food chain features 1950s fare and service. Carhops donning poodle skirts, ponytails, and roller skates serve burgers and shakes to customers in their cars.

One of the chain's biggest promotions is its annual "National Carhop of the Year" award. Last year 6,000 young women competed for the title, which is awarded for personality, intelligence, community service and wholesome appearance. Sue Phillips, the reigning 1990 carhop, received a $1,500 cash award from the chain's parent company (Sonic Industries), as well as a racing bike, color television, gold charm bracelet and 35mm camera donated to the contest by Coca-Cola USA and RCA.

The *Dallas Morning News* and the *Houston Chronicle* featured hefty articles about the event, which takes place in Dallas. There was also considerable coverage on local television news programs.

If you can't get a newspaper photographer to attend the event, arrange for an independent photographer to take photos and send them to local papers. Provide a brief description of the event, including who or what is pictured in the photo, as well as your restaurant's name and phone number.

□ Be prepared for the unexpected. There is nothing more serious than a gimmick that flops, especially if you invest a lot of money and time in it. One way to circumvent a flop is to have a solution for anything that could possibly go wrong. For example, one Valentine's Day, a Chicago ice cream and candy store had arranged to present the oldest woman in the city with a heart-shaped box of candies. The public-relations firm that coordinated the campaign located a 103-year-old woman and sent out press releases with her name, age and details about the presentation to local media. The woman died a day before the promotion. Although the firm had done its homework and presented the next oldest person, a man, with the box of candy, there was no way to avoid an awkward meeting with the press people who appeared the next day.

□ Always be honest with the press. Have facts and background material about the company or organization ready for the press when it asks for it. Never try to cover up for not being prepared. It can be a source of negative publicity or no publicity at all.

□ A word of caution about sponsoring celebrity look-alike contests. If this is the way you choose to get publicity, make sure the celebrity you select and the prize you offer will draw contestants. S&S arranged a Superman look-alike contest for a new restaurant (Cousin's Restaurant in Chicago) after the release of the movie *Superman*. There was a great turnout of press people to cover the event—but no one entered the contest. The restaurant was clever enough to make lemonade out of lemons and served the press free dinners and drinks. The media was so impressed with the restaurant's sense of humor about the flop, as well as its appetizing fare, that several favorable articles were written about the restaurant.

□ To get the press to attend the event, make press releases creative and use clever plays on words to pique the media's interest. Have fun with the release, but make sure to give all the facts about the event and then follow up with a phone call to remind reporters. "If you want the press to be there, you've got to call every one of them," says Shrago. "A lot of times they don't receive press releases, or releases get lost in the shuffle." ❑

VE YOU A PLUG

FOREIGNERS

WHEN FOREIGN MARKETS BECKON

When McDonald's planted its golden arches in Moscow, it was a milestone in international expansion. But it was not a move made lightly. Here are some pointers to consider if you, too, hear the call of foreign markets.

by Mahmood A. Khan, Ph.D.

International markets provide new dimensions for expansion, but there are factors that should be considered before reaching a decision to enter a foreign market.

1. Political environment

Consider the political environment carefully. A government that favors franchising or a certain franchise may be replaced by one that is hostile. It is well known that Kentucky Fried Chicken had to temporarily shut its two Beijing, China, units—one of which is in Tiananmen Square—out of concern for employees' safety during the student uprising in the summer of 1989.

A phenomenon known as "guilt by association" should be taken into consideration. No matter what the economic significance of a franchise is to a particular country, American franchises will always be regarded as representatives of the United States. So there may be occasions when these franchises can become targets for attacks by a government or the public. Insurance against such risk is hard to obtain in foreign countries. Terms and conditions of contracts should therefore be written in such a way that there is room to exit or adapt to unfavorable situations.

Although it can be very hard to gauge political stability, history and the political environment are good indicators. Two political events that are being watched carefully are the return of Hong Kong to China and the economic cooperation of European countries in the 1990s.

2. Monetary policies

Associated with the political environment is a country's monetary policies. It may be difficult to get money out of the country and the fluctuating currency can have an effect on the profitability of an operation. On the other hand, certain countries may provide incentives for foreign investors. In addition, franchisors should find out about tax and tariffs associated with conducting business in a particular country. Some countries have quotas that need to be filled for foreign investments.

3. Culture and traditions

A product that may be popular in the United States may not be acceptable in all countries. For example, a trade name may have an inappropriate meaning in other languages. Also, the cultural food habits have an enormous effect on food selection, acceptance and popularity.

There are certain countries—such as some Arabic nations—where food items, such as pork and pork products, may not be acceptable for religious reasons, ruling out the success of such breakfast items as bacon and sausage.

Animal products or combinations of certain ingredients may not be desirable in other countries. For example, imported beef is very different from Korean beef. It has a different smell and taste, so Koreans avoid it, opting instead for domestic meats. Menu changes and changes in ingredients become necessary for such foreign markets.

In many countries breakfast is not a popular restaurant meal, and dinner is eaten later in the evening than in the United States. For example, eating at 9 or 10 p.m. is customary in Spanish restaurants—eating at 6 or 7 p.m. is considered peculiar. Eating styles and meal timings can be distinctly different. Social customs can also vary. Some countries find it distasteful to eat without a knife and fork and biting with the mouth wide open—which can make it difficult to serve hamburgers.

4. Demographic and economic data

An accurate demographic study of the target population is essential before operating a franchised restaurant on foreign soil and should be undertaken as a part of the feasibility study. Age, sex and available disposable income should be carefully evaluated, with special emphasis on the potential for changes in the near future. (Demographic changes may be more distinct and rapid than in the United States.) For example, in some countries, such as Taiwan, young people consider eating at an American franchise restaurant to be a special social occasion.

Locations can be even more critical—and expensive—overseas. According to one observer, in Hong Kong being 50 to 100 meters on the wrong side of the going-home entrance of a subway station can make the difference between success and failure.

5. Availability of resources

It can be difficult to meet certain food specifications in other countries.

Mahmood A. Khan, Ph.D., is a professor and assistant head of the department of hotel, restaurant & institutional management at Virginia Polytechnic Institute and State University in Blacksburg, Virginia.

A LESSON FROM A LEADER

Big Macs for rubles. **Amid great fanfare and extensive media coverage, the largest McDonald's restaurant in the world opened its doors in Moscow on January 31 within walking distance of the Kremlin. More than 30,000 Soviet citizens waited happily in long lines because they knew there were enough Big Macs, Chicken McNuggets, french fries and shakes to go around. And 630 well-trained servers (from a pool of 25,000 applicants) handed out the orders.**

Although the timing for the opening of Moscow McDonald's couldn't be better, with the continued warming of relations between the Soviet Union and the United States, preparation for this momentous occasion was lengthy and arduous. It took 12 years to complete the negotiations, resulting in the largest joint-venture agreement between a food company and the Soviet Union. The contract provided for an initial 20 McDonald's units in Moscow and a state-of-the-art food production and distribution center to supply the restaurants with the top-quality ingredients the company demands in all of its locations. "We negotiated long and hard with the Soviets, but our philosophy of QSC&V (quality, service, cleanliness and value) was the one item that was non-negotiable; and our Soviet partners agreed," says George A. Cohon, president and chief executive officer of McDonald's Restaurants of Canada Limited.

But behind this oft-told tale of perseverance and cooperation is a story of a company that has carefully positioned itself to take advantage of one of the world's most lucrative potential markets. McDonald's is no stranger to pioneering into new territories. The Soviet Union is the 52nd country to welcome McDonald's, and Russian is the 28th language in which the company operates around the globe. But it is the sheer magnitude of the Soviet market that makes it so noteworthy. As Cohon explains, "With more than 291 million people spread across the world's largest country, the Soviet Union represents the largest potential market of new customers for us to date."

McDonald's has demonstrated its desire to cultivate the Soviet market by making the ruble acceptable as payment for its fast food meals—unlike most Western-style restaurants that accept only hard currency. Accepting the ruble is a sure way for McDonald's to win the heart—and the loyalty—of the average Soviet citizen who does not have hard currency and is therefore denied access to many Western items. When and if the Soviet marketplace does expand, McDonald's will be poised to take advantage of the shift, having established a firm foothold with Soviet consumers.

For example, certain products may not always be available or not available in sufficient quantities to keep pace with the demand. For this reason, the McDonald's Corporation operates its own meat, potato and other processing operations in Moscow to ensure a sufficient supply of high-quality ingredients.

Moreover, even when products and ingredients are available, they may not function together in the expected way and can result in an unfamiliar end product. For example, if fresh biscuits are to be prepared, flour and other ingredients (obtained from local sources) can result in a different quality product. Equipment availability and performance may also vary. In certain countries the power supply or water supply can be regulated, which can affect production and service. Storage facilities are not always available, and temperatures may dictate the extent to which products can be stored. In short, the potential for conforming to the standards and specifications of a franchisor should be carefully assessed and tested.

6. Joint ventures

It is advisable to engage in joint ventures in foreign countries to ensure that the franchisor has a committed partner who understands the foreign system and can function as a representative. For example, some countries have complicated bureaucratic procedures or complex political considerations that require an insider's knowledge, otherwise delays in getting minor approvals can take months at times.

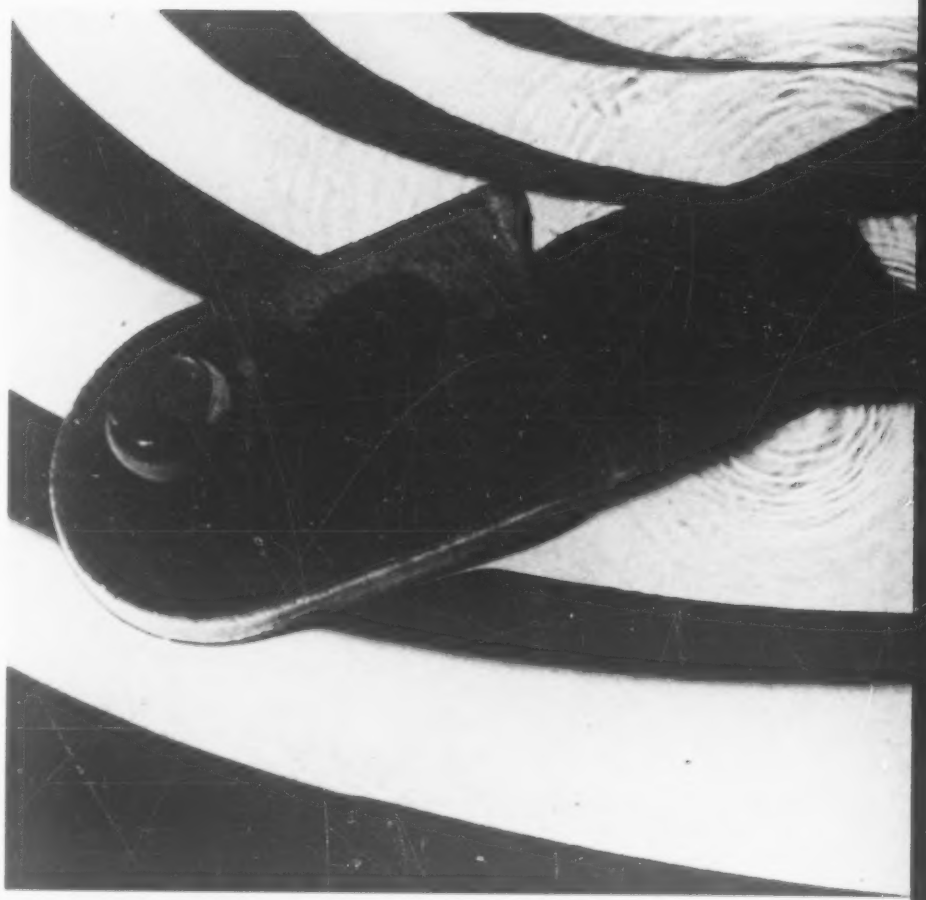
Finally, the success of other franchise companies, regardless of the products or services they provide, should be studied. This will provide an overall picture of the business environment as well as a basis for comparison. ❑

Notable trends in foreign markets

Some notable trends that favor the increase of franchising in foreign markets include:

- ☐ an increase in the number of educated individuals in the world population,
- ☐ technological advancements facilitating travel,
- ☐ intercultural exchanges,
- ☐ the willingness of the younger generation to try new products and unconventional types of foods,
- ☐ the movement of populations to urban and industrial areas,
- ☐ increased disposable incomes,
- ☐ increased numbers of women in the workforce and
- ☐ increased significance of convenience.

HEALTH-CONSCIOUS



SPA FOOD

Ideas for your health-minded guests from chefs who have made a career out of preparing tempting low-calorie foods

by Claire Regan, R.D.

Health spas have built their reputations on pampering their guests. Set in exotic locations with ideal climates and magnificent views, health spas often provide luxurious accommodations, state-of-the-art fitness equipment and enough beauty services to transform a frog into a prince—well, almost. Understandably, the chefs who work in spas face a unique challenge: how to provide meals that meet the guests' nutritional requirements, without compromising taste and appearance. Christopher Wood, spa chef at La Costa Hotel and Spa in Carlsbad, California, sums up the trials: "Our guests have been to all the best resorts, and they expect the best. Some of them quit smoking or stop drinking alcohol while they're here and are working out at a rigorous pace. By the time they sit down to dinner, they are in no mood to be displeased."

And it is this effort that has inspired talented chefs like Wood to create dishes that are giving spa food a new image and are teasing operators to take note and adapt some dishes for their health-minded customers. "Ten years ago the food served in spas consisted of cottage cheese, lettuce, ground round and black coffee," says Edward J. Safdie, developer and owner of resorts and health spas. But those days are long gone. Safdie, author of the visually arresting *Spa Food*—which features menus and recipes from the Sonoma Mission Inn and Spa (a property Safdie developed and since has sold)—helps to change the approach to so-called spa cuisine. Drawing on his Middle Eastern heritage of common-sense low-fat eating, Safdie added the California approach to freshness with a French style of presentation. "It's the classics and standard food reworked," he says. For example, Safdie's cabbage leaves stuffed with sauteed onion, fluffy bulgur, sunflower seeds, raisins and freshly grated ginger are a far cry from their traditional Polish roots.

Lavish seasonings

"Guests are always astonished that our spa dishes are so flavorful," Safdie reports. "We do season lavishly. But instead of salt we use fresh herbs and spices, especially pepper and garlic, as well as reductions of lemon and lime juice and double-rich stocks—reduced twice to intensify flavors. We thicken our sauces with arrowroot or vegetable purees rather than flour, cream or butter; and we design our preparations to make the most of each ingredient's color, texture, flavor and aroma."

Today's spa chefs are drawing ideas from ethnic foods and regional specialties. Deborah Evans, general manager of the Lake Austin Resort in Austin, Texas, has successfully adapted southwestern cuisine to her low-fat style of cooking. "We take advantage of the local bounty and grow our own organic produce and herbs. We use flavorful vegetables, like peppers, onions and tomatoes, and make

Claire Regan is manager/staff nutritionist at the National Restaurant Association.

our own herbal vinegar," she says. Fajitas, enchiladas and oven-fried chicken are favorite entrees among the guests at Lake Austin Resort. Evans recommends steam-baking tortillas in the oven rather than frying them. "Use a stoneware tortilla warmer or wrap tortillas in wet cloth and then in foil and bake until done, approximately 10 to 15 minutes at 350° F.," she writes in her book, *Spa Specialties*, a collection of recipes developed at the resort.

Her keen interest in nutrition motivates Evans to constantly experiment with low-fat cooking. "It's easy, and often it's just a matter of making a few subsitutes. But the low-fat version should taste like the real thing. If I can't get the taste, I won't convert a recipe. Chocolate-chip cookies are an example of something I just can't replicate," she quips.

When Christopher Wood recently revised La Costa's spa menu, he chose to move away from the California spa-cuisine concept—light cooking, small portions and big flowery garnishes—to incorporate a variety of cuisines, such as Asian, Mexican, Italian and classical. Bean tostadas, beef and shrimp Oriental, linguini with clam sauce, and salmon and raspberries in phyllo are a few of Wood's creations. "Any entree wrapped in phyllo dough is popular," he reports. "One sheet is all you need, and that's only 55 calories. I use a nonstick spray, wrap the fish in the dough and bake it."

For CIA-trained chef Wood, adapting to the spa way of cooking was a matter of changing his methods and way of thinking. For example, Wood has developed new sauces to eliminate the extra calories. He created a beefless brown sauce using poultry stock, red wine, lentils and seasoning, which he cooks, strains and purees to sauce consistency. "At breakfast I downplay the steak and eggs. I serve hot and cold cereals and whole-grain pancakes with spa syrup. I take maple syrup, stretch it with water, add maple extract and bind it with cornstarch," Wood explains.

Presentation pointers

In addition to providing innovative cooking techniques, spa chefs have been leaders in making food look appealing. Edward Safdie describes nutritious, beautifully presented food as the "bedrock of any spa program." Presentation is a key component to the foodservice at the Sheraton Bonaventure Resort and Spa in Ft. Lauderdale, Florida. "Some of our guests look forward to their meals, so they have to look and taste fantastic. Something as easy as floating fresh herbs on soup makes a big difference," says Julie Bravo, R.D., Bonaventure's nutritionist. Chef Keith Stuart agrees. "Next to taste, presentation is the most important factor in spa cuisine. I want my guests to look at the food and say, 'wow.' I use a variety of colors to brighten up the plate—for example, purple lettuce, green snowpeas contrasted with orange carrots, and lots of fresh herbs."

NEW ORLEANS BAKED BANANAS

Serves 4

Ingredients:
2 bananas
1 Tbs. grated orange rind
1 Tbs. honey
1 Tbs. fresh orange juice
1 tspn. vanilla extract
1 tspn. unsalted butter, cut into 4 pieces

GARNISH
Julienned orange rind (optional)
1 vanilla bean, cut into 4 pieces (optional)

Method:
Preheat oven to 350° F. Cut 4 pieces of foil, each 4 x 6 inches.

Peel the bananas. Cut them in half lengthwise and place each half on a foil rectangle. In a small bowl, mix the orange rind, honey, orange juice and vanilla extract. Spoon over the banana halves. Top each with a piece of butter. Fold over the foil once and crimp the ends to seal. Place on a baking sheet and bake for 5 to 8 minutes; if the bananas are really ripe, they will cook in about 5 minutes.

To serve, slash the bananas in 5 places along the outside edge and curve into semicircles. Pour the juices over the fruit and garnish with orange rind and vanilla bean.

Nutritional value per serving: calories: 82; fat: 2 grams (14 percent of calories); cholesterol: 3 milligrams; sodium: 1 milligram

—Edward J. Safdie, *Spa Food*

Christopher Wood strives to add height and color to his plates to compensate for smaller portions. Shredded lettuce and radishes and diced tomatoes do the job on his bean tostada, while Edward Safdie often relies on low-fat fruit and vegetable-based sauces as a base for the food. "Look at it as artwork," Safdie encourages. "The plate is the canvas and the food is a palate of color. Spread the food out, fan the vegetables. A sleight of the hand can create an illusion of more food. People often remark that they can't eat all this food. Their eyes perceive it as too much." In his New Orleans Baked Bananas (see recipe), the bananas are slashed in five places along the outside edge and curved into semicircles. This creates an appealing design that fills the dessert plate with half a banana.

Learning from failures

Despite their success, these talented culinarians have experienced a few failures during their experiments. Julie Bravo warns against adding yellow food coloring to egg-white omelets. "They have no color and are pale, but the guests at the Bonaventure are educated. If we add color, then they think the omelet has yolks and they question it."

Bonaventure's chef Keith Stuart deems his first attempt at key-lime yogurt pie a "major flop." "I used an artificial sweetener (aspartame) that doesn't hold up to heat. It lost its sweetness, and the pie tasted bitter. It was nasty." Stuart was able to perfect his recipe, now a favorite among guests, using fructose.

Desserts also posed a challenge to La Costa's Christopher Wood. "The dietitians told me to bake without fat, and I said, 'impossible.' The average cake contains flour, butter, eggs and sugar. But I've found that pureed bananas work well as a substitute for butter. It coats the flour just like fat does. And I use whole-wheat flour, egg whites and fructose or mixed-fruit-juice concentrate as sweeteners."

By using these techniques it is easy to offer spa-style dishes without devoting the entire concept to spa cooking. ❑

PROMOTIONS FOR PINT-SIZ

No issue on restaurant markets for the 1990s would be complete without a story on children. Here are some ideas for wooing young customers.

Kids may be small, but their influence is big—at least when it comes to family eating-out decisions. That's why it is no surprise that some of the most creative and successful restaurant promotions are targeted to the pint-sized market. In *50 More Promotions That Work in Restaurants*, published by American Express as a sequel to its first blockbuster—*50 Promotions That Work*, seven of the programs mentioned are targeted to children. Here's a look at those promotions to spark ideas for programs you may be able to introduce in your establishment.

Bringing in new customers

1 **The Saturday Lunch Club.** "The Saturday Lunch Club" at The Fountain Restaurant, the 106-seat establishment at the Four Seasons Hotel in Philadelphia, brings in a whole new class of customers—customers who bring their parents. The club introduces children aged eight to 14 to the pleasures of elegant dining, complete with conversation. The children dress their best when they come to sample foods normally prepared for more sophisticated palates, and several come a good distance to participate.

On the first Saturday of every month, the chefs prepare a meal that focuses on the foods of various countries for a group of up to 45 youngsters and their parents. "We want them to try something new," says Stephan DeMichelis, former chef, "something they have never eaten before." Courses have included osso bucco Milanese, paella and sauteed veal chop with Swiss chard and spaetzle. When the meal is over, kids visit the kitchen for a demonstration and a simple hands-on introduction to the work that goes into putting the meal together. Everyone leaves with recipes, brief information about the culinary tradition of the country or region, and samples of their efforts, to share at home.

The program cultivates future customers and gives The Fountain's traditionally slow Saturday-lunch business a boost. Jean-Marie Lacroix, executive chef, runs the program as an addition to the restaurant's regular Saturday-lunch service. "Other guests in the restaurant react very positively to the children . . . . We don't want it to be a closed affair," he adds.

The fixed-price luncheon is offered at $25 per person and has been promoted through mailings to the restaurant's regular customers. The public-relations value of the program got the restaurant lead-story coverage in the food section of the *Philadelphia Inquirer*.

2 **Stroller valet.** It's obvious from the way general manager Don Bruyn deals with children that he must have a few of his own: "If you get down on your knees and speak to them eye-to-eye, they respond." The way he manages kids is one of the trademarks of this "madman genius," as he's called by the local media.

Bruyn has put the 118-seat Back Bay Rowing Club in Costa Mesa, California, on the "kid map" of restaurant destinations. Families (mostly mothers and children shopping in the mall where the restaurant is located) account for 30 percent of the restaurant's total business. And it's no surprise.

Parents and kids are greeted at the door by a "Stroller Valet Parking" sign. Back Bay places a detachable tag on the stroller handle, giving the parent a "claim check." They usually leave the tag (with Back Bay's name on it) on the stroller after they leave and stroll the mall, sending a clear message to other mothers with hungry children.

The staff provides younger children with booster seats and high chairs. They're also given crackers and spoons immediately to keep them occupied. Glasses come with colorful plastic animals hanging from the sides. And there's always a loaded Polaroid around (pictures are given to the kids at the end of the meal).

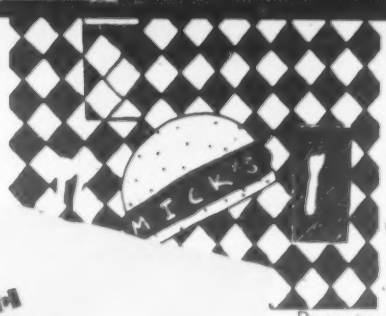
Mothers are fans, too. Restless kids are easily pacified by a tour of the kitchen (they're amazed by the giant icemaker). And Bruyn suggests that his "younger guests" put the plastic animals on their toothbrushes when they get home.

Back Bay does not advertise. Loyal customers do it for them.

Building repeat business

3 **Model trains.** What kid could possibly resist a model train moving overhead on an elevated track? That's the basis for Spangles' enormously successful marketing strategy directed at families with children. Not necessarily intended to be a "family restaurant," in the few years it has been open, the 60-seat restaurant has become a destination for parents and kids in Brentwood, California.

Spangles does not have a "kids' menu," but its large regular menu includes items like burgers, hot dogs, and macaroni and cheese. All items



D P TRONS

are available in half portions. And waiters don't say no to any request regarding customizing food to the child's taste (or the adult's, for that matter).

Although families now account for 45 percent of Spangles' business, others are not put off by the children, says Peter Sachs, owner. "The children are usually very well behaved. And our customers know that most families dine early (5 to 7 p.m.). So if they think they'll be disturbed during those family-intensive hours, they come in later."

The restaurant is conducive to family dining in other ways, too. For instance, the layout allows for large groups on special occasions like birthdays and holidays. The restaurant provides booster seats and high chairs, delivers books about trains to the table as soon as children are seated and automatically serves all drinks to kids in styrofoam cups with lids. Spangles' staff loves kids. In fact, Sachs asks all of his applicants how they feel about waiting on children. If they have any reservations, they're usually not hired.

What do the kids think? Sachs reports that almost all of the regular "kid" customers know when cars have been added or taken away from the model train. "They bring in their parents."

4 Tomato Club. Who belongs to the Tomato Club? People who are very clear about the foods they like and those they don't, who have a growing interest in dining out and who have a strong affinity for Grazie, a 275-seat restaurant in Newton Corners, Massachusetts. For the most part this means people under the age of 10.

Gary Oleson has the right idea about getting kids involved at the restaurant he manages. For example, he puts children on a special mailing list (they love filling out the form and receiving mail of their own).

He also holds a coloring contest at Grazie every month. Children in four age groups make their best attempts at coloring a picture (one was a scene of performing seals; another depicted Venice). The incentive? "If you win, you take the family out to dinner, your treat!" Kids are thrilled by the prospect.

Oleson's instructions: "Carefully fill out your name and address at the bottom [of the picture], and even if you don't win this time, you will automatically become a member of the Tomato Club, which means you'll get cool stuff in the mail all about special events at Grazie for kids—like kids' cooking lessons or having your birthday party at Grazie!"

Each month Oleson selects two winners in each age group (one girl, one boy), and displays their works of art. The children love it, but parents are just as pleased.

Oleson says the secrets of success in attracting families are to show them that they are welcome and to keep the kids busy—with menus, paper tablecloths and crayons, and food. He also pays attention to nutrition and ensures that food "looks like kids expect it to."

Parents and children of all ages account for about 75 percent of Grazie's booming business. By promoting to kids, Oleson ensures that Grazie is a family favorite.

5 Seasonal promotions. America is not a restaurant created specifically for families with children, but some savvy promotion ideas have made the 300-seat restaurant a destination for many Manhattan parents. Manager Vincent Pascal, vice president, Ark Restaurant Corporation, says, "Saturdays, kids own the place."

Family promotions revolve around holidays, but the interest the events generate helps build family business year-round. For Easter, restaurant staff members paint Easter eggs, then cover the 2,000-square-foot bar with colorful "plastic grass" and hide the eggs for a hunt. Two staff members dress up as Easter bunnies to entertain and help the kids with the search. The staff, the kids and the parents all have a great time. For the Christmas season, America hires a "department-store" Santa Claus to listen to the kids' wish lists. These are just two examples of special events, which are promoted through brochures distributed in the restaurant. America does not advertise.

The restaurant is a big (cavernous, really), colorful place. Its walls are covered with brightly painted murals of American motifs, such as the Statue of Liberty and the American eagle, and it is decorated with neon tubes. The space is designed to accommodate a lot of noise and movement, which makes parents comfortable. The restaurant's regular offerings include such kiddie favorites as mini-gourmet pizzas, hamburgers, macaroni and cheese, and peanut-butter-and-jelly sandwiches. Not having a separate children's menu is one of many ways that kids are simply integrated into the scene.

Staff are trained to treat children like valued customers: "We often buy them a free dessert." Pascal says both the kids and their parents respond. But don't be fooled, "Kids decide where parents eat."

6 El Gigante Burrito. Bigger is better at Monterey Mexican Grill. Its biggest and most successful promotion to date revolves around the El Gigante Burrito, a formidable four-pound chicken burrito that owner Al Mendoza has offered to customers for the last two years . . . with a challenge. Anyone who has been able to eat the burrito has joined the ranks of local folk heroes in Petaluma, California. You can recognize them from their "I Survived El Gigante" T-shirts, as they bring friends into Monterey's to see their glossy photos.

For any promotion to be successful, it must capture the interest of the restaurant's target customers. In Petaluma, customers have literally gotten carried away. More than 1,000 people have ordered El Gigante to date, and only 300 have managed to polish it off. But the interest, and the press coverage, that El Gigante has generated has built a large and loyal customer base for the restaurant.

El Gigante stories abound. One nine-year-old came back four days in a row, but finally finished his. Two 10-year-old boys shared one, then tried to get into an XXL T-shirt together to have their picture taken. A group of 18 business associates came in one day, and guess what each of them ordered? For those who've survived, there's the El Gigante Fan Club. At the end of the year they're all invited back for an El Gigante Burrito Bash, a fund-raiser for local charities.

The burrito itself is not a moneymaker. Its menu price is $12.50, and the hand-screened T-shirts given to those who finish it cost $7.50 each. "The idea," according to Mendoza, "has been to capture the community's interest and curiosity, and for customers to have fun." On both counts, the promotion's been a big hit.

Enhancing community relations

7 Menu-designing course. Some 22 fourth-graders design the children's menus each year for either Mick's or Buck's restaurant in Atlanta. The idea stems from Steve Nygren, president of The Peasant Restaurants, who has worked for years with Atlanta schoolchildren to introduce them to the hospitality industry in fun, hands-on ways.

In this case, marketing consultant Bette Kohl-Semrau runs a seven-week course called "Buck's Needs a Children's Menu." She developed the program while working for the company, but now runs it as a consultant. She explains, "Goals and strategies are set using input from the students, and everyone has an opportunity to accept the assignment and shake on the deal." Students are paid in food certificates.

Students begin the project with some market research. They study children's menus from other restaurants, survey friends and ask parents what they think makes a good children's menu. After a visit to one of the restaurants, they get some instruction on thumbnail sketches, balance, color, logo design, drafts and paper. After many rough drafts, hours of critiquing and weeks of "hard work"

. . . Happy landing on a chocolate bar

Once Christmas and Valentine's Day go by, most kids wait for their birthdays for the next big dose of sweet treats. But not the 100 or so children who happily accompany their parents to The Hotel Hershey's popular Chocolate Lovers Weekend, held every February in Hershey, Pennsylvania. This is no ordinary theme weekend where children tag along with their parents from workshop to workshop. It's Chocolate Town USA, after all, and the staff at this four-star destination hotel know how to roll out the chocolate carpet, especially for children. That's why some kids have returned three and four times (not bad for a program that has been running for only seven years).

This year the pint-sized set enjoyed a chocolate treasure hunt, chocolate bingo—with chocolate bars, kisses, sundae sets and Hershey-inspired calculators as prizes—and special workshops that included chocolate dipping and making animals out of modeling chocolate. There were chocolate socials; craft activities that included making chocolate-bar magnets and a Hershey bear puppet; and an "everybody's birthday party," complete with chocolate cake, make-your-own sundaes and Polaroid snapshots with a life-sized Hershey Bar and Reese's Peanut Butter Cup (Disney World, watch out!).

The meals had a generous dose of chocolate, too, from chocolate pancakes to Hershey-Bar mousse. No one left the weekend with too little chocolate, that's for sure.

Now this is all well and good for Hershey, you may say. But what does this have to do with me? Just think. With so many chocolate lovers nationwide, you, too, could plan a chocolate day or afternoon, perhaps during a slow season, to bring in sweet-toothed youngsters and their parents. Why not sponsor a chocolate party or a Hats-off-to-Hershey afternoon, with lunch included in the package? You could play any number of games from chocolate trivia, bingo or Jeopardy! to chocolate Wheel of Fortune. You could also sponsor your own chocolate demonstrations and workshops, making mud pies or chocolate mousse

A young confectioner dips strawberries in a workshop at the annual Chocolate Lovers Weekend at The Hotel Hershey.

(one hour per week), the menus are ready to be laminated and delivered to their client.

The result, "bold mixing of colors, and images of everything from cups and saucers flying off the table, to talking hotdogs and meatballs dropping from an airplane onto a dish of spaghetti," is exactly what The Peasant Restaurants want. And the kids invariably bring their parents in to view their own works of art. As Kohl-Semrau points out, "With students, parents, teachers and staff, you get something like 2,000 people per school learning about the restaurant."

Extensive media coverage has included news spots on two local TV stations, feature articles and photos in several local newspapers, and photos and limited coverage in local and national trade publications. In 1988, the program won the Georgia Governor's Award for Community Relations. ❑

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or perhaps decorating a small birthday cake. If your staff is creative, try The Hotel Hershey's idea and make animals out of modeling chocolate. Sausage-shaped dogs are cute and manageable.

If there are enough chocolate lovers in your area, the promotion could be the beginning of a sweet tradition! And if things don't work out well, there's always the chocolate lovers weekend next year for a getaway.

—Sylvia Somerville

MODELING CHOCOLATE

Melt one package (8 ozs.) of Hershey chocolate chips over a double boiler. Stir in 9 ozs. of glucose and mix thoroughly. Remove from heat and allow the mixture to cool.

HERSHEY BAR MOUSSE

Scald ¼ cup of milk. Add 1 cup miniature marshmallows to the milk and stir until melted. Melt 5 ozs. of Hershey milk chocolate and add to the mixture and then cool. Whip ¾ cup heavy cream until soft peaks form; then fold into the cooled mixture. Fill mold and refrigerate overnight.

FIRST IMPRESSIONS

HOW TO MARKET YOUR COMPANY TO PROSPECTIVE EMPLOYEES

by Jeff Harrison

The first impression prospective employees have of your operation can, and most often will, determine whether they feel your operation is right for them—not only as potential employees, but also as potential guests.

How are you coming across?

Look at your operation through the eyes of someone seeing it for the first time. Start by walking through your front door. What is the first thing you see? Are you greeted by a smiling face, or do you see someone who looks as if he or she desperately needs a long vacation? And if the initial contact is by phone, is the greeting cordial? Are potential employees made to feel important, or are they put on hold for a long time?

Don't forget to observe your managers' techniques and skills in this area of first impressions. How do they greet people? Managers are synonymous with your organizational culture, because they represent you—make sure they convey your philosophy.

Next, examine your application procedures. Are applications kept at the front counter for the hostess/cashier to hand out? Or does a manager greet each applicant and explain

How times have changed. Wasn't it nice when potential employees walked through your doors and applied for all of the open positions in your operation? As managers you were in a buyer's market, a market in which you were able to choose only the best applicants. Not any more. Today's employees are now the ones who are in a buyer's market. They can pick and choose the companies and operations that best meet their wants and needs. And their options are going to increase. The National Restaurant Association predicts that our industry will see a shortfall of 1.1 million workers in 1995. That is why you must make every contact count—especially the first one.

the application procedures—a more personal touch?

Are applications accepted at all hours of the day, or do you accept them only at certain times of the day? Remember, if you accept them only during daytime hours, you may be missing potential employees who have day jobs and want to work part-time night or weekend jobs.

If you have set times during which you accept applications, who tells the applicant this—the hostess or the manager? All these things are part of the image that you are creating.

If prospective employees have to come back to fill out an application or for an interview, give them a brochure, flyer or job description that will capture their attention and make them enthusiastic about returning. A good tool is to include an in-house newsletter with a list of benefits, activities and growth-potential information. This will increase their awareness of your organization and sell them on working for you. Finally, ask your employees about their first impressions of the organization. What made them want to join your team? Then discuss the issue at your next management meeting and publish the comments in your newsletter or flyer.

Jeff Harrison is a full time manager and instructor for the Educational Foundation of the National Restaurant Association. Among the courses he teaches is "Labor Hiring, Training and Retaining." Harrison has experience managing low and high volume restaurants and casual and fine dining operations.

Are you taking time with interviews?

Although interviews usually occur on a second visit, they are really part of the applicant's first impression, because they provide the first lengthy contact with your organization. That is why it's a good idea to look at your interviewing process. Do you set aside time for interview sessions, or do managers just "squeeze" them in? When managers give interviews on the run, they may not be giving potential employees their full attention; they will probably be thinking about the last thing they did or the next task.

When you or your manager set up specific interview times, block off time to do two, three or four interviews in a row. Good times may be from 2 p.m. to 3 p.m. every day and from 6 p.m. to 7 p.m. three nights a week. Notice that as you batch your tasks, you become more effective.

Other interviewing practices that create good first impressions for applicants include:

□ *No-interruption interviews.* When you start an interview, do not stop until you are done. Give the applicant your undivided attention. This means no phone calls, employee interruptions, check signing, etc.

□ *Eye contact and body language.* Look into the applicant's eyes and use positive body language, such as upright posture, leaning toward the applicant, occasional head nods, open gesturing.

□ *Job descriptions.* When you know what position an applicant is applying for, give him or her that job description for review. This gives you an opportunity to discuss expectations.

□ *A friendly attitude puts the applicant at ease.* Smile and say thanks for being on time. Ask if they would like something to drink. Begin by asking nonjob-related questions to get the applicant talking.

□ *Predetermined questions.* Develop a few questions that each manager asks an applicant during an interview to give you a benchmark for comparing applicants for the same position.

□ *Open-ended questions.* Encourage talking by avoiding questions that lead to "yes" and "no" responses.

If the interview goes well, set up a second interview. Explain the second interview process and take the time to sell the applicant on your organization. The practice of selling the applicant on the operation should happen again before a job offer, this time detailing the benefits and growth potential. Always thank the person for taking the time to interview with you when you walk them to the door.

If an applicant is not right for your operation, tell that person right away. One reason the foodservice industry has a poor public image is that too often we say we'll call and we never do. If you say you're going to call, make sure you call or send a letter of nonacceptance.

Your goal is to continue that good first impression; do not ruin it by poor follow-through. Remember that although an applicant may not fit in as an employee, you would like that person and his or her family and friends to visit your restaurant. Don't give anyone a reason to say something negative about your establishment.

Are you making the first impression last?

After you've hired a new crew member, it is now up to you to make the first impression a lasting one. Hold onto the high-quality people that you hire by providing good orientation and training, spelling out expectations with job descriptions and using a consistent evaluation program. Good follow-through only adds credibility to a positive first impression. ❑

BOARDROOM

Winter board meeting report

Here is a summary of discussions and resolutions coming out of the National Restaurant Association's Board of Directors winter meeting last month in Laguna Niguel, California:

The **Government Relations** Committee focused on the Americans with Disabilities Act (ADA). Through the association's lobbying efforts and that of others in the business community, several favorable changes have been made to ADA. The association will continue to work for the removal of vague language in the bill and the development of applicable regulations.

The **State Relations** Committee reported significant growth in the grassroots and state legislative areas, with 1,150 Key Contacts covering all but 47 members of Congress. State Relations staff is tracking solid-waste initiatives on the state and local levels.

The **Communications** Committee reviewed a new association booklet, "A List of Member Services," which outlines the many services that benefit National Restaurant Association members. The Communications Committee also called for two new membership surveys: The first to solicit members' awareness and evaluation of services offered, and the second to assess the effectiveness of association periodicals.

The **Convention** Committee issued a reminder that membership badges will not double as Show badges. Instead, special magnetic-striped badges have been developed for the Show.

Under the direction of the **Industry Image/Human Resources Task Force**, a new brochure and video will be developed to promote career opportunities in hospitality and tourism.

The **Membership** Committee approved dual membership contracts for the Georgia Hospitality and Travel Association and the Idaho Restaurant and Beverage Association.

The **Nominating** Committee put forward Richard E. Marriott, of the Marriott Corporation in Washington DC, as association treasurer for the 1990–91 term.

The **Research** Committee announced that the next Current Issues Report will focus on the labor market and will include a new profile of foodservice employees. Future reports will focus on child care and air and water pollution.

The **Technical Services** Committee announced that the association recently won a revision of the National Electric Code concerning the capacity of electric-current breaker boxes and associated wiring in restaurants. The code change will allow smaller electric service entrances in new restaurants without compromising safety, which should result in considerable savings for operators.

The **Alcohol Awareness** Committee reaffirmed the association's commitment toward responsible beverage service and announced that a new edition of the booklet "Restaurateur's Guide to Help Prevent Drunk Driving" will be mailed to all members who sell alcohol. Also, a new alcohol-server training video will be available for purchase this month.

FISHER'S LAW

#105

A meeting with the IRS

Recently I scheduled a meeting with the Internal Revenue Service (IRS) to discuss some issues that are important to the industry. I was thoroughly prepared and kept going over in my mind exactly what I was going to say. In fact, I was thinking about the meeting as I went to bed the night before . . . .

Me: Hello, I'm . . .

IRS: We know who you are. You're 123-28-4268. We know all about you. I'm 008-32-1040, but you can call me 008. Are you satisfied with the new wing you put on your house as a result of the casualty loss you took three years ago?

Me: Well, yes, but how did you know about that?

008: I told you, we know everything about you. That's our business. I don't mean that we intrude on your affairs; but as the result of the tax forms you file each year, we have a pretty good handle on your life. By the way, you sure seem to have a knack for picking the wrong stock, since you've been reporting realized losses each year.

Me: Ahem, yes. Well, 008, let me get to the point of this visit. As you know, our employers are required to allocate tips to employees, if the employees don't report tips of at least 8 percent on the sales attributed to them. That can cause an adversarial and a "strong-arm" relationship between the employer and employee, which is not good for morale, esprit de corps and pleasantness in the restaurant.

008: Ah yes! I remember that well. We played our hand masterfully on that. We had a senator sneak that little tidbit into a tax bill at 5 a.m. back in '82. Too bad about the relationships between the employers and their employees. Can't be helped, though. With the tight budget squeeze hitting all government agencies, we have to encourage legislation that causes the business community to help us collect taxes due us. I'm sure, 123, that you fully agree that everyone should pay his or her legally prescribed tax. You do agree with that, 123, don't you? Let's see, 123, I believe it's been a few years since we've done an audit on your tax returns.

Me: Well, yes, everyone should pay taxes according to the law, certainly, but tip allocation can be disruptive to harmonious relationships, which are the essence of hospitality.

008: Can't be helped, 123. I don't make the laws; I just enforce them. The bottom line is that we have collected more tax revenue from tip receivers since that law went into effect, so I guess it works. We're still not getting all the tax revenue that's due us, however; so we're looking into the possibility of raising that 8 percent to a higher figure. That will generate even more tax revenue. By the way, are your employers filing the 8027s each year that the law requires, which is the employer's annual information return of tip income and allocated tips? Our records show that there is still a lot of noncompliance.

Me: Now, wait a minute. Do you realize that the law has created a clear and fundamental unfairness and an inherent conflict of interest? The 1987 tax law placed FICA taxes, also known as Social Security,

on employers for the *tips* that employees receive. The Department of Labor doesn't allow us to count 100 percent of tips as wages for Fair Labor Standards Act purposes, but you here at IRS count those tips *fully* as wages on which restaurateurs must pay FICA and FUTA taxes.

008: Yeah, how about that. That's a real rock-and-a-hard place, isn't it? I don't have anything to do with the Labor Department; I have to look after my own shop. My job is to collect all the tax money I can.

Me: I have to tell you, 008, that I think you are displaying a typical bureaucratic, cavalier attitude that borders on the arrogant.

008: I don't make the laws, 123, I just enforce them. Besides, all that Social Security money, with its huge surplus, counts against the annual budget deficit. If we didn't count that surplus against the deficit, the published deficit would be significantly larger.

Me: But the point, 008, is that the law has created an inherent conflict of interest for restaurateurs, since the greater the tips reported, the greater the employer's payroll tax. It's an intolerable situation. It's unfair and inequitable. It's government at its worst and can generate disrespect for all law.

008: Tell it to your congressman and senators, 123. I don't make the laws, I just enforce them. I don't make the laws, I just . . .

The alarm went off and I realized I had been dreaming. But it was a vivid and realistic dream.

Fisher's Law #105: People affected by bad legislation must get active in order to overturn it.

Consumer commitment to nutrition increases

A new National Restaurant Association study, ***Attitudes Toward Nutrition in Restaurants: Assessing the Market,*** *reveals that the percentage of consumers who choose nutritious items when ordering in restaurants is on the rise, while the percentage of those who are unconcerned about nutrition in restaurants is declining.*

In fall 1989 the National Restaurant Association conducted a nationwide survey to assess consumer awareness of and attitudes toward health and nutrition issues and to determine how these attitudes influence the choice of foods and restaurants. Consumers were asked a number of questions to determine their eating-out habits, such as whether they look for low-fat foods when eating out, whether they wish more restaurants offered menu items cooked without salt and whether they are less concerned about nutrition when dining out for a special occasion.

Three consumer segments

One of the survey's most important findings is that the adult population can be divided into three distinct groups.

First, there are the *Unconcerned Patrons*, who tend to describe themselves as "meat-and-potato" eaters; they eat whatever they want, and their eating behavior is consistent with their attitude. A second group can be identified as *Committed Patrons*. These individuals believe that a good diet plays a role in the prevention of illness; and when they eat out, their dining behavior is generally consistent with their commitment to good nutrition. The third group can be labeled *Vacillating Patrons*. These consumers are concerned about nutrition and health, but they are taste-and-occasion driven when it comes to eating out.

More patrons committed to nutrition

When results of the 1989 survey are compared with the results of a similar survey conducted by the association in 1986, it is clear that the second group—the Committed Patrons—has grown from 35 percent of the U.S. adult population in 1986 to 39 percent in 1989.

Conversely, the first group—the Unconcerned Patrons—has shrunk from 38 percent of the U.S. adult population in 1986 to 32 percent in 1989. The third group—the Vacillating Patrons—increased slightly, advancing from 27 percent of the U.S. adult population in 1986 to 29 percent in 1989.

Who are the Committed Patrons?

Committed Patrons are actively concerned about the role that nutrition and diet play in their health. They are more likely than average to be females, 35 to 54 years old, college graduates, high-income earners and living in the Northeast or on the West Coast.

In restaurants, Committed Patrons' eating behavior is consistent with their commitment to health and nutrition. They are more likely than average to order raw-vegetable appetizers, vegetables seasoned only with lemon and herbs, poultry without skin, broiled or baked fish, whole-grain muffins, fresh fruit and low-fat yogurt. Not surprisingly, many of these food items are ones that Unconcerned Patrons tend to avoid.

The study suggests that restaurants should continue to add to the existing menu alternatives that conform with dietary guidelines for good health.

Committed Patrons believe that restaurants should provide menu items for people on restrictive diets. They look for low-fat foods when eating out and agree that regular exercise is vital to their health. However, Committed Patrons eat out less frequently than average. Although they represent 39 percent of the population, they account for 32 percent of total eating occasions. These individuals are more likely than others to patronize tableservice restaurants

Characteristics of health and nutrition consumer groups 1989

Characteristics	Unconcerned Patrons	Committed Patrons	Vacillating Patrons
Percent of U.S. adult population	32%	39%	29%
Percent of total eating-out occasions	39%	32%	29%
Demographic characteristics[1]	Men; 18 to 24-year-olds; average income; single/never married; work full time; high school education; live in urban areas; East North Central, West North Central and Mountain states	Women; 35 to 54-year-olds; higher than average income; married; work part time; college graduate; live in suburban areas; New England and Pacific states	Women; 65-year-olds and older; below average income; widowed or separated/divorced; do not work; high school education; live in rural areas; West South Central, East South Central and South Atlantic states
Behavorial characteristics[1]	Patronize fast food restaurants; do not diet or exercise; do not restrict use of salt, additives, sugar, fat and cholesterol; drink alcoholic beverages; do not consume foods high in fiber, calcium and starch	Patronize moderately priced and fine-dining restaurants; diet and exercise; restrict use of salt, additives, sugar, fat and cholesterol; consume foods high in fiber, calcium and starch	Patronize fast food and fine dining establishments; diet to control blood cholesterol and pressure; are average in their attempts to restrict use of salt, additives, sugar, fat and cholesterol; do not drink alcoholic beverages; consume foods high in calcium and starch
Foods likely to order in restaurants[2]	Steak or roast beef; fried chicken or fish; regular soft drink; premium ice cream; rich, gooey or chocolate desserts	Broiled or baked seafood; poultry w/o skin; raw-vegetable appetizers; fresh fruit; vegetables seasoned w/only herbs or lemon juice; whole-grain muffins; low-fat frozen yogurt	Lean meats; steak or roast beef; broiled or baked seafood; fried chicken or fish; food cooked w/o salt; regular soft drink; caffeine-free coffee; premium ice cream; rich, gooey or chocolate desserts

[1] Members of all three groups come from all demographic and behavior segments. The characterics presented here represent those where a greater proportion than average occurs.

[2] Members of all groups are likely to order any of the foods covered by the survey. The ones presented here represent those foods where an above-average proportion of group members was likely to order.

Source: National Restaurant Association, *Attitudes Toward Nutrition in Restaurants: Assessing the Market*, 1990

when they go out, but more than half of their purchases are made at fast food establishments.

Who are the Unconcerned Patrons?

Unconcerned Patrons are not generally concerned about nutrition and health. They are more likely than average to be males, 18 to 24 years old, single, average-income earners and living in the Midwest. Their eating-out behavior is consistent with their attitudes. They are more likely to order rich desserts, steak or roast beef, regular soft drinks, fried fish and premium ice cream.

Unconcerned Patrons are not interested in low-fat foods or menu items for people on restrictive diets. They are also less likely to agree that being in peak physical condition is important to them. Overall, these individuals are good restaurant customers and account for a greater share of eating-out occasions (39 percent) than their share of the population (32 percent). These consumers are more likely than average to eat at fast food restaurants.

Who are the Vacillating Patrons?

Vacillating Patrons are concerned about health-and-nutrition issues, but they are taste-and-occasion driven when it comes to eating out. Their menu selections reflect their vacillating nature; and since taste and occasion govern their menu choices, the foods these individuals are likely to order are not nutritionally consistent. They are more likely than average to order rich desserts, premium ice cream, regular soft drinks, steaks and roast beef, as well as lean meats, food cooked without salt and caffeine-free coffee. Vacillating Patrons are slightly more likely to be female and are more likely to be older—65 and older—and widowed, separated or divorced. They are below-average income earners and are more likely to live in the southeastern and southwestern states.

Of note is that these restaurant patrons are not as likely to be concerned about nutritional content when dining out for a special occasion. Also, they are much more likely to eat differently when dining out than when eating at home.

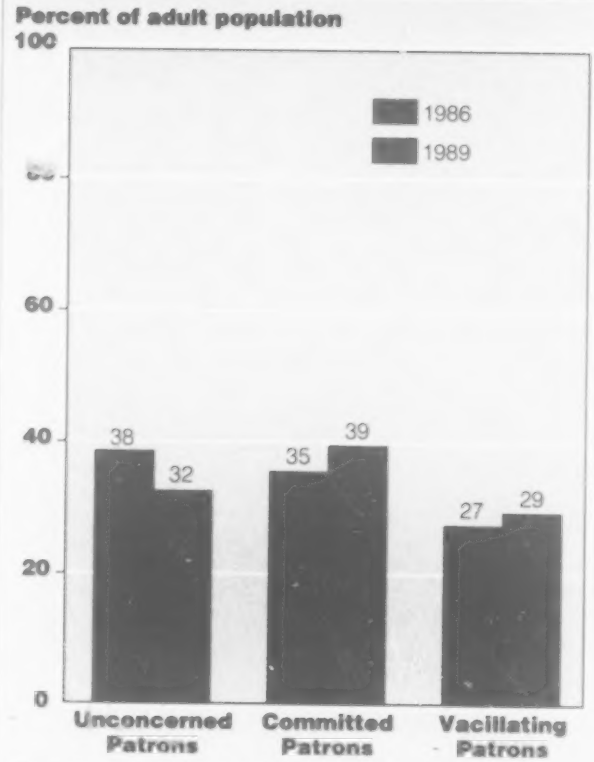
Other study highlights

□ Almost nine out of 10 Americans agree that good diet and nutrition play a role in the prevention of serious illness such as heart disease and cancer.

□ At least one out of every four adults has taken some action to restrict his or her diet. The most popular action was dieting to lose weight, followed by dieting to maintain weight.

□ More than one out of three consumers were restricting their diet to control blood cholesterol while

Change in consumer groups, 1986–89



Source: National Restaurant Association, *Attitudes Toward Nutrition in Restaurants: Assessing the Market*, 1990

one out of four was restricting the diet to control high blood pressure.

□ Eight out of 10 Americans agree that being in peak physical condition is important and consider regular exercise to be vital to their health.

□ More than half of adult Americans report that they often skip at least one meal each day.

□ Women are much more likely to agree that they pay attention to the nutritional content of the food they eat than are men.

□ When consumers think about the way restaurants prepare meat, fish and poultry, broiling is the most preferred method, followed by grilling and frying.

□ Forty percent of adults agree that they look for low-fat foods when they eat out.

Implications

The association study confirms that consumer interest in health and nutrition remained undiminished between 1986 and 1989 and will continue to exert greater influence on eating-out behavior. Survey results clearly indicate that consumers want to control their own diets according to their beliefs when eating out. Consequently, the study suggests that restaurants should continue to add to the existing menu alternatives that conform with dietary guidelines for good health.

Survey results indicate that less than half of all adults (45 percent) say that they feel comfortable asking for foods at restaurants that are specially prepared, perhaps indicating that some foodservice operators could work to make their patrons less apprehensive about making a special request. This attitude applies to both infrequent and frequent restaurant customers.

In addition, more consumers are receptive to learning about which foods are good and which ones are bad for them. In 1986, 47 percent of American adults agreed that they were tired of hearing about what's good and what's bad for them when it comes to food. By 1989, the proportion had dropped to just over one out of three. This means that more foodservice patrons are open to suggestions.

—Hudson Riehle

To order the nutrition study

Attitudes Toward Nutrition in Restaurants: Assessing the Market (CS971) will be available this month for a fee. The report contains a wealth of information on menu choices and consumer attitudes about health, nutrition and restaurants. There are also data on responses to all survey questions by each of the three consumer groups as well as by a variety of demographic characteristics, such as sex, age, income and restaurant usage.

Other sources of nutrition information

The association offers several additional nutrition publications and services. *A Nutrition Guide for the Restaurateur* (CS983) provides basic and practical information on incorporating nutrition into restaurant operations and offers suggestions on how to modify recipes, change a menu and use other marketing ideas. The price is $18 to members, $36 to nonmembers.

A recent Current Issues Report, *Nutrition Awareness and the Foodservice Industry* (CI424), provides an overview of the current state of nutrition and the foodservice industry. Cost is $5.50 for members, $16.50 for nonmembers.

All prices include shipping and handling charges (overseas orders require a 20 percent surcharge). All orders must be prepaid.

To order, send a check or money order to the National Restaurant Association Publications Department, 1200 Seventeenth St. N.W., Washington DC 20036. For credit-card orders, call the association's information service and library between 9 a.m. and 5 p.m. (Eastern Standard Time) at 1-800-424-5156 or (202) 331-5960 in Washington DC.

In addition, the association offers a nutrient-analysis service, which uses computer software to calculate the nutritional content of recipes on a per-serving basis. Operators may wish to have this nutrition information on hand for patrons who ask for it; to identify the nutritional content of recipes; and to identify ingredients that contribute fat, cholesterol, sodium and calories.

Cost is $10 for one recipe, $7 per recipe for two recipes, $6 per recipe for three recipes and $5 per recipe for four. Cost to nonmembers is higher. Recipes will be analyzed within a few working days of receipt, and results will be returned via first-class mail. For an additional cost, orders can be returned via Federal Express or fax. Call the Information Service Department for more information and an order form.

Franchise restaurants up close

The International Franchise Association Educational Foundation (IFA), in conjunction with Horwath International, has released ***Franchising in the Economy: 1988–1990.***** The survey indicates that franchise restaurants continue to grow in the United States and abroad.*

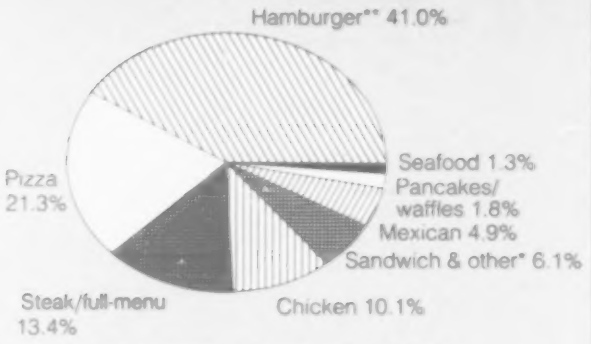
Franchising continues to grow. According to the franchising survey conducted by IFA, there were 90,345** franchise restaurant units in the United States in 1988—more than 25 percent of all types of franchise units.***

Moreover, sales from franchise restaurants in 1988 reached $64.3 billion—36 percent of total business-franchise sales and nearly half (46 percent) of total sales for eating places.**** On a per-unit basis, franchise restaurants had revenue of roughly $711,500 in 1988, substantially higher than the $526,038 average unit sales for all franchise units.

Franchise restaurants are expected to continue to grow. Survey participants projected that by 1990 there will be 102,135 franchise restaurant units, with sales exceeding $76.5 billion. This represents an average annual unit growth of 6.5 percent between 1988 and 1990 and an annual average 9.5 percent advance in sales. Unit sales for franchise restaurants should reach $749,167 in 1990—up by an annual average rate of 2.6 percent between 1988 and 1990.

Franchise restaurant breakdown, by theme

The largest percentage of franchise restaurants are hamburger places



Percent of total units, 1988

**includes all other franchises not included here*
***also includes roast beef and frankfurter franchises*
Source: International Franchise Association Educational Foundation, *Franchising in the Economy, 1988–1990*

Hamburger franchises top the list

Of the numerous types of restaurant franchises, hamburger restaurants top the list in both number of units and total sales. In 1988 there were 37,081 hamburger-restaurant franchise units in the United States alone, representing combined sales of $32.0 billion. In 1988 hamburger franchises (which in this survey also include roast beef, frankfurter and related franchises) accounted for four out of every 10 franchise restaurant units and roughly half of all franchise-restaurant sales.

Pizza restaurants were the next largest type of franchise in terms of number of units—with 19,243, followed by steak/full-menu franchise restaurants with 12,120 units. Steak/full-menu franchise restaurants were second to hamburgers in terms of total sales—$11.3 billion. Pizza franchises followed with combined sales of $9.6 billion.

Despite the high number of units and sales of hamburger franchises, steak/full-menu restaurants had the highest sales per unit of all the different franchise restaurants in 1988, with revenues of $935,460. Hamburger restaurants ($862,607) and pancake/waffle ($765,305) franchise units were the next largest in terms of unit sales.

Strong unit growth but weaker unit sales growth

Unit growth is likely to continue at a rapid pace. According to the IFA study and comparable Department of Commerce data, franchise restaurants posted a strong annual average growth rate of almost 8 per-

**Franchising in the Economy was previously published by the U.S. Department of Commerce. In 1987 Department of Commerce discontinued collection and publication of franchise data. The International Franchise Association initiated a similar survey, beginning with data from 1988. Because of the gap in time between the discontinuance of the Department of Commerce survey and initiation of the IFA survey, there are no final figures for 1987, since they were projected by respondents in the final Department of Commerce survey and not covered by the 1989 IFA survey.*

***Data for franchise restaurants do not include unit or sales information from convenience stores or from ice-cream, frozen-custard or frozen-yogurt stands, doughnut shops, cookie stores or any other retailer of food products, such as cinnamon rolls, nuts or specialty foods that are included in Retail—Food (nonconvenience).*

****Does not include automobile and truck dealers, gasoline-service stations and soft-drink bottlers, which are considered to be product and trade-name franchising. Restaurants, convenience stores, retail stores, hotels and the like are considered business-format franchising, according to the report. They are categorized by an ongoing business relationship between franchisor and franchisee, which includes the product, service, trademark, marketing strategy and plan, operation standards and manuals from the franchisor.*

*****Based on 1988 National Restaurant Association estimate of eating-place sales, which totaled $138,403,276,000.*

Franchise restaurants in the United States—1988 to 1990*

The number of franchise restaurants, both company owned and franchisee owned, is expected to grow, as are sales at these restaurants.

	1988	1989*	1990*	Percent change 1988–1989	Percent change 1989–1990
Total number of establishments:					
Company owned	27,305	27,761	29,313	1.7%	5.6%
Franchisee owned	63,040	66,524	72,822	5.5	9.5
Total	**90,345**	**94,285**	**102,135**	**4.4%**	**8.3%**
Total sales ($000):					
Company owned	$22,276,989	$23,438,938	$25,688,238	5.2%	9.6%
Franchisee owned	42,003,446	45,655,170	50,827,883	8.7	11.3
Total	**$64,280,435**	**$69,094,108**	**$76,516,121**	**7.5%**	**10.7%**
Average sales per unit ($000):					
Company owned	$816	$844	$876	3.4%	3.8%
Franchisee owned	666	686	698	3.0	1.7
Total (all units)	**$711**	**$733**	**$749**	**3.0%**	**2.3%**

* *values for 1989 and 1990 are estimates from survey participants*

Source: International Franchise Association Educational Foundation, Inc., Horwath International. *Franchising in the Economy: 1988–1990*

Growth profile for franchise restaurants

Although the number of units and overall sales have shown strong growth, growth in per-unit sales has slowed

Year	Number of units	Sales ($000)	Average sales per unit
1986	79,203	$52,273,863	$668,438
1987*#	83,331	56,839,994	682,099
1988	90,345	64,280,435	711,500
1989*	94,285	69,094,108	732,822
1990*	102,135	76,516,121	749,167

* *estimated by survey participants*
\# *No final figures published in 1987 as Department of Commerce did not conduct survey*

Source: U.S. Department of Commerce, International Franchise Association Educational Foundation, Inc.

cent between 1986 and 1988—the highest growth rate in the 1980s. IFA survey participants estimated that the number of franchise restaurants in 1990 will exceed 102,000—up 13 percent over 1988.

However, sales growth per unit for franchise restaurants has become more modest. In 1988 average sales per unit exceeded $711,000—up an annual average of 3 percent, compared to 1986. In fact, this is the lowest rate of growth for per-store sales in the 1980s.

And this trend is expected to continue in 1990. Average sales per franchise restaurant this year are expected to be $749,167—up 2.2 percent from 1989 estimates. This lower rate of growth in per-store sales is particularly important, considering anticipated increases in menu prices.

For example, in 1989 menu prices advanced by 4.6 percent, yet average franchise-restaurant sales per unit are estimated to have grown by a lower 3.0 percent. For 1990 the National Restaurant Association is forecasting menu prices to increase 4.4 percent, while franchise sales per unit are estimated to advance a lower 2.2 percent. This suggests that, overall, no real growth in per-store sales has occurred, with declines in real sales a distinct possibility.

Pizza and sandwiches lead sales, unit growth

Yet some franchise-restaurant categories continue to post higher sales growth. Although hamburger restaurants still represent the largest proportion of franchise sales and units, pizza and sandwich establishments have grown in popularity.

According to the IFA survey, in 1988 there were 19,243 pizza-franchise restaurants—representing an annual average growth of 9.3 percent from 1986. By comparison, the number of hamburger restaurants grew at a somewhat lower annual average rate of 8.9 percent. On a per-store sales basis, average unit sales for pizza restaurants advanced 4.3 percent between 1986 and 1988, compared to 4.0 percent for hamburger establishments.

Although sandwich restaurants posted a more modest average annual growth rate for per-store sales between 1986 and 1988 (1.5 percent), these establishments are expected to exhibit dynamic growth in unit sales between 1988 and 1990. For example, in 1988 there were 5,529 franchise sandwich restaurant units, with average sales of $261,000 per unit. By 1990, according to IFA survey respondents, the number of sandwich establishments is expected to exceed 8,100—up at an annual average rate of almost 24 per-

Top states for franchise restaurants in 1988

Franchise restaurants can be found in every state in the nation. Here are the top 10 states in terms of numbers of franchise restaurant units in 1988:

State	Number of units
California	8,422
Texas	7,435
Florida	4,480
Ohio	4,449
Illinois	3,646
Georgia	2,740
Minnesota	2,559
Pennsylvania	2,554
North Carolina	2,489
Indiana	2,375

Source: International Franchise Association Education Foundation, *Franchising in the Economy, 1988–1990*

cent. Accordingly, average sales per unit will advance at an average annual rate of 4.6 percent between 1988 and 1990, compared to a lower 2.8 percent for franchise hamburger restaurants.

More units owned by franchisees

More franchise units are now franchisee owned. In 1986, 31 percent of franchise units were company owned. In 1988, 30 percent of franchise units were company owned. It is projected that in 1990 less than 29 percent of franchise restaurant units will be company owned.

Sandwich and other franchise restaurants, which have posted the highest unit growth, are also the category with the highest incidence of franchisee ownership of units. In 1986, companies owned just more than 9 percent of all units in the "sandwich-and-other" category. In 1988 the proportion of company-owned units continued to decline—down to 7 percent of total sandwich units. IFA survey data indicate that by 1990 less than 6 percent of franchise-sandwich establishments will be company owned.

International expansion

With an increase in competition brought about by a growing number of franchisees and units, combined with smaller increases in unit sales, it is not surprising that many U.S.-based companies have expanded overseas. According to the IFA report, restaurants were the largest international franchisors in terms of number of units abroad.

In 1988 there were 6,996 internationally located units of U.S. franchise restaurants, accounting for one out of five international franchise units originating from U.S.-based companies. This represents a 77 percent rise in the number of overseas units of U.S. franchise restaurants since 1980. In all, 13 percent of all U.S.-based franchise-restaurant companies had units in foreign countries in 1988, and an additional 1.5 percent were planning to locate units outside the United States.

More than one out of four (26 percent) international franchise-restaurant units—1,827—were located in Japan. This is nearly double the number in 1980.

Canada was the second-most-popular foreign location for U.S.-based franchise restaurants, attracting 19 percent of franchise-restaurant units outside the United States. Other popular locations abroad for U.S.-based franchise restaurant units included the United Kingdom (10 percent), other European nations (11 percent) and Australia (11 percent).

With the opening up of many Eastern European countries and markets and an ever-tightening domestic marketplace, it is likely that international franchising will continue to grow in the years ahead.

—Nancy Michalski

How to order the report

Copies of the complete report on which this article was based, *Franchising in the Economy: 1988–1990*, are available for $25 from the International Franchise Association (IFA). Copies may be ordered by calling IFA at 1-800-543-1038.

Why customers are leaning toward casual restaurants

As the baby-boom segment matures, it is starting to fuel greater interest in casual dining at tableservice restaurants. Customers are opting for a more casual, less-structured, less-expensive dining experience.

In a National Restaurant Association Gallup survey conducted in October 1989, half of those surveyed said that they enjoyed eating at a casual restaurant more than eating at a fine-dining establishment.* In contrast, only 18 percent favored fine-dining to casual dining, and 23 percent enjoyed both equally.

When do customers opt for casual?

Survey results indicate that casual restaurants are popular for many types of occasions. Of the five occasions covered by the survey, casual restaurants were preferred over fine dining for eating out with the children, as a Saturday-night treat with friends and as an alternative to cooking at home.

For business lunches and birthday-celebration dinners—the two remaining occasions—casual restaurants scored as high or nearly as high as fine-dining restaurants.

Who goes to casual restaurants?

Although age is not a factor in the likelihood of selecting a casual restaurant over a fine-dining place when children are involved, age definitely comes into play on three other occasions—dinner out with a spouse or friend instead of cooking at home, a Saturday-night treat with friends, and birthday celebrations.

Customers younger than 50 are much more likely to go to a casual restaurant for a dinner out with a spouse or friend instead of cooking at home and as a Saturday-night treat. This is not true for older customers, as the likelihood of patronizing a casual place declines significantly for those older than 50.

The tables are turned for birthday celebrations.

**For the Gallup survey, a casual restaurant was defined as "one where waiters and waitresses serve a wide variety of menu items in an informal, relaxed atmosphere. There is no dress code. Depending on whether a customer orders a full meal, a sandwich or salad, per-person check ranges from $8 up for dinner. This restaurant usually serves alcoholic beverages and accepts credit cards." In contrast, a fine-dining restaurant was defined as "one where the person's dinner check is $20 or more. In addition to the $20-or-more dinner check, in this type of restaurant the waiters serve elaborate meals, which you would not be likely to prepare at home. This formal type of restaurant requires a jacket and tie for male patrons. This restaurant usually serves alcoholic beverages and accepts credit cards."*

Rating of most recent experience at fine-dining versus casual restaurants

Despite some variations, overall dining experiences were rated nearly the same for casual and fine-dining establishments

Restaurant features	Rating: Excellent/ good	Rating: Fair/ poor
Food quality		
fine dining	88%	12%
casual	85	15
Service*		
fine dining	87	13
casual	79	21
Decor*		
fine dining	85	14
casual	73	27
Value*		
fine dining	73	26
casual	80	19
Overall experience		
fine dining	86	13
casual	83	17

** significant difference*

Source: National Restaurant Association Gallup Survey

Percent of adults saying they would be likely to eat at restaurant on each occasion

Casual restaurants were strongly preferred to fine-dining restaurants on three out of five occasions

Occasion	Type of restaurant: Fine dining	Type of restaurant: Casual
Dinner out with children	16%	40%*
Saturday-night treat with friends	26	43*
Dinner out with spouse/friend instead of cooking at home	44	57*
Business lunch	26	26
Birthday celebration dinner	52	48

** significant difference*

Source: National Restaurant Association Gallup Survey

Adults younger than 25 are more likely to want to go to a fine-dining restaurant to ring in their birthdays; baby-boomers—those between 25 and 44—are equally likely to go to a casual restaurant as a fine-dining one.

Why are casual restaurants popular?

There is virtually no difference in the overall experience rating for casual and fine-dining restaurants: 83 percent of adults rated casual restaurants as excellent or good, and 86 percent gave that rating to fine-dining places.

Casual restaurants have an advantage when it comes to value for the price. Eight out of 10 respondents said that the value received on their last casual-restaurant visit was good or excellent. Slightly more than 70 percent, which is significantly fewer respondents, said the same about their last fine-dining experience. Only among consumers aged 50 to 64 did fine-dining places score as high as casual restaurants in value for the dollar.

Moreover, there was no significant difference in perception of food quality: 85 percent of respondents rated the food on their most recent casual-restaurant visit as good or excellent, similar to the 88 percent of fine-dining patrons.

On the other hand, fine-dining restaurants scored significantly higher in service and decor. Close to nine out of 10 adults rated the decor and service at fine-dining places as good or excellent, compared with fewer than eight out of 10 at casual restaurants.

High-visit frequency

Because consumers visit casual restaurants regularly, the price/value relationship assumes even more importance. Seven out of 10 of those surveyed reported eating at a casual-table-service restaurant once a month or more, and 29 percent said they patronized a casual restaurant at least once a week.

In comparison, 25 percent of respondents reported eating at a fine-dining restaurant once or more each month, and only 4 percent said they patronized a fine-dining establishment at least once a week.

Although one adult in five reported never having eaten at a fine-dining place, 6 percent reported never having eaten at a casual restaurant.

CREST data support the relative popularity of casual restaurants. In 1989 moderate-check upscale restaurants, most of which might be termed casual, experienced an 8.4 percent increase in traffic above 1988 levels. At the same time, customer counts at higher-check upscale (fine-dining) restaurants posted a 4.7 percent decline.

A 1988 National Restaurant Association CREST study points out that moderate-check upscale restaurants were popular with adults between the ages of 25 and 34 (who represented 21.8 percent of visits) and children (who represented one-tenth of visits). In addition, casual restaurants attracted nearly equal proportions of patrons between 45 and 54, 55 and 64, and 65 years old and older. In contrast, adults between 35 and 44 accounted for the largest share of fine-dining visits.

More to choose from

Part of the allure of casual restaurants is the number of offerings. Many of these restaurants offer a little bit of everything—from signature hamburgers to ethnic foods. This variety may be part of the appeal of these establishments when patrons go out with friends or their children. Everyone in the party is likely to find something to enjoy. Moreover, the varied menu may lend itself to more frequent visits.

The association's 1989 Menu Analysis of 50 randomly selected menus from entrants in the 1984 Great Menu Contest and 50 from the 1989 Great Menu Contest showed an 18 percent increase in the number of entrees and sandwiches during the five-year period, with the number of sandwiches advancing 55 percent. Main-dish salads, pasta and poultry dishes also showed increased menu presence.

According to the association's 1988 CREST study, customers of moderate-check upscale restaurants are responding to the variety. There were nine quite different food items, each ordered by at least one out of 10 patrons in 1988. Side-dish salads, fish-and-seafood entrees, sandwiches, french fries and other forms of potato, Mexican food, main-dish salads, soup and beef entrees were ordered on at least 10 percent of all eater occasions at moderate-check upscale restaurants. In addition, Asian food, chicken entrees and pasta dishes were eaten on more than 7 percent of all eater occasions.

—Nancy Michalski

1989 annual CREST report

After a sluggish traffic growth of 0.5 percent in 1988, the restaurant industry posted a 1.4 percent advance in traffic in 1989. The growth is attributable to an increase in the population rather than an increase in penetration (the proportion of households in which at least one member dined out in an average two-week period) or more frequent restaurant visits.

Traffic highlights

All three industry segments saw increases in customer traffic in 1989, but upscale operations led the way with a 5.0 percent gain. Within the upscale sector, moderate-check upscale restaurants were responsible for all the growth. These restaurants posted an impressive 8.4 percent increase overall, but barbecue, other specialty, Asian, fern bar, Italian, and fish/seafood restaurants registered double-digit growth.

In contrast, traffic for higher-check upscale restaurants declined 4.7 percent. "Other specialty" and "Italian" were the only two higher-check upscale groups to post traffic advances.

Both quickservice and midscale restaurants showed traffic gains. Quickservice restaurants' 1.2 percent gain was largely due to double-digit growth at barbecue, convenience stores, Mexican and Asian restaurants. More modest growth was posted at hamburger, other sandwich, food stores and pizza restaurants.

Midscale restaurants reversed a trend of declining customer counts with a 0.9 percent rise in traffic. The segment benefited from traffic growth in excess of 10 percent at barbecue, sandwich, other specialty and Asian restaurants. Family-style, fish/seafood and Mexican restaurants also helped boost customer counts.

Of the three meal periods, only breakfast showed a decline in traffic, falling 1.1 percent in 1989. A 2.9 percent drop in customer counts at quickservice restaurants for breakfast* offset gains in breakfast traffic at both midscale and upscale restaurants. Both lunch and dinner traffic grew—1.8 percent and 1.7 percent, respectively. Midscale restaurants were the only segment to post a decline at lunch—a slight 0.5 percent. All three segments posted advances in supper traffic; upscale restaurants led the way with a 5.3 percent increase.

For the second consecutive year, on-premises traffic declined, down a slight 0.6 percent. A 4.5 percent growth in on-premises customer counts at upscale restaurants was offset by declines at both midscale (down 1.5 percent) and quickservice restaurants (down 1.4 percent). In addition, on-premises traffic dropped for all three meal periods.

Although on-premises traffic continued to slide in 1989, off-premises traffic continued to drive industry growth. Off-premises traffic grew a hefty 3.9 percent. Although quickservice restaurants, which account for the largest share of total takeout occasions, posted a 2.9 percent growth in off-premises traffic, midscale restaurants took off with a hearty 14.6 percent advance and upscale restaurants shot up 11.4 percent.

Breakfast was the only meal period in which takeout traffic declined—down 1.1 percent. Both lunch and supper posted large advances in off-premises traffic, increasing 4.9 percent and 4.5 percent, respectively.

Average check size

The average per-person check advanced at a higher rate in 1989 than in any year since 1982. The average check size rose 4.1 percent in 1989 to $3.79 per person. Quickservice restaurants posted the largest increase. The average check rose 4.1 percent to $2.80 per person. The average tab at midscale restaurants advanced 3.6 percent, to $4.59. Upscale restaurants posted the smallest change in the average check—1.7 percent to $9.46.

Despite declining traffic, breakfast showed the largest percent increase in average check size of the three meal periods. The average breakfast check grew 5.4 percent in 1989 to $2.55 per person. The average supper check advanced 4.0 percent to $4.95 per person. Lunch showed the smallest increase in average check size—2.9 percent to $3.54 per person.

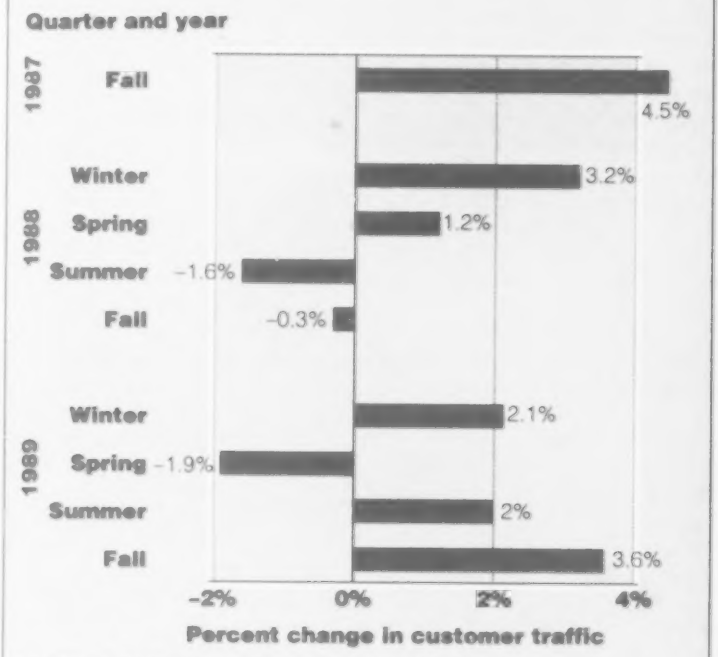
Promotions

Promotions were used on

*Breakfast traffic counts for the individual segments also include traffic for morning snacks.

Change in customer traffic by quarter* (fall 1987 to fall 1989)

Traffic increased 3.6 percent in fall 1989–the highest increase since fall 1987

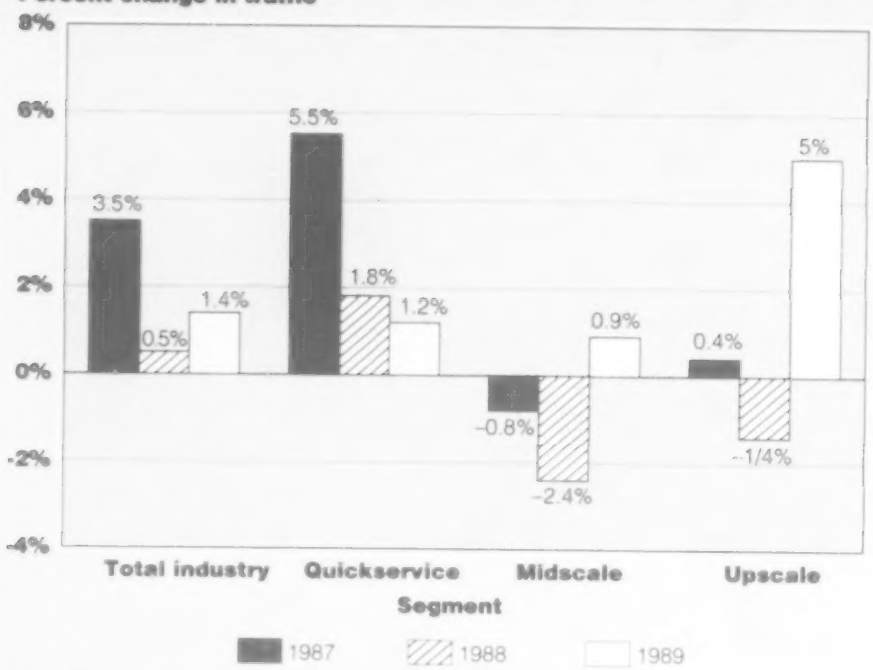


*percent change over same quarter previous year

Source: NPD CREST Quarterly Household Reports, 1987–1989

Customer traffic changes—1987 to 1989*

Traffic counts in 1989 were up for the industry and all three segments



* percent change over previous year

Source: NPD CREST Annual Household Reports, 1987, 1988 and 1989

18.4 percent of all occasions in 1989, up from 17.8 percent in 1988 and 17.1 percent in 1987. Once again, quickservice restaurants were tops in promotions usage; usage occurred on 20.9 percent of all occasions. Promotions were used at approximately the same rate at midscale and upscale restaurants in 1989 as in 1988—13.6 percent of all midscale restaurant visits in 1989, and 13 percent of all occasions at upscale restaurants.

Promotions brought in the most customers at the dinner hour. Promotions were used on 23.8 percent of supper occasions in 1989, up from 23 percent in 1988. Breakfast and lunch recorded promotion rates of 14.7 percent and 17 percent, respectively.

—Nancy Michalski

1989 fall quarter CREST report

Fall proved to be the brightest quarter of 1989 in terms of restaurant traffic growth—up 3.6 percent above fall 1988 levels. The growth was the biggest quarterly advance since the fall of 1987.

Upscale restaurants, which were the traffic growth leader in each quarter last year, posted a 6.3 percent increase in customer counts. Quickservice restaurants, which experienced a decline in traffic in the spring and sluggish growth in the summer, had a strong showing in the fall; traffic rose 3.6 percent. Midscale establishments, which had declining traffic from winter quarter 1988 until summer quarter 1989, recorded a second consecutive quarter of growth—a 2.5 percent increase in customer counts.

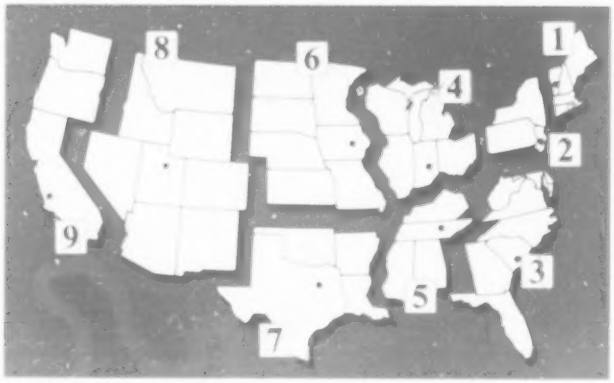
On-premises restaurant traffic dipped slightly in the fall, declining 0.6 percent. Of the three segments, only upscale restaurants showed any on-premises growth; traffic rose 4.6 percent above fall 1988 levels. Both quickservice and midscale restaurants saw on-premises traffic drop 1.3 percent.

Off-premises traffic grew 8.6 percent in the fall, well above the 3.8 percent rise recorded in the summer. All three restaurant segments posted off-premises traffic growth in the fall quarter: upscale establishments—up 31.2 percent, midscale restaurants—up 25.7 percent; and quickservice restaurants—up 6.9 percent.

For the first time since spring 1988, all three meal periods saw traffic growth. Breakfast, which had declining counts in the recent past, was the only meal period to post both on and off-premises traffic advances. Breakfast traffic grew 3.3 percent in the fall, largely due to a 4.9 percent gain in on-premises traffic. Off-premises breakfast traffic advanced by 0.3 percent. Lunch traffic grew 2.4 percent overall; off-premises growth of 6.3 percent offset a 0.1 percent decline in on-premises counts. Supper posted the highest meal-period growth, up 3.6 percent. Off-premises supper traffic increased a healthy 9.5 percent, but on-premises traffic was down 1.7 percent.

Promotion usage, which jumped well ahead of 1988 levels in the summer, continued to rise in the fall quarter. Promotions were used on 20.3 percent of all occasions in fall 1989, up from 19.1 percent of occasions in fall 1988. Promotions were used on 23.0 percent of all quickservice occasions; 15.2 percent of all midscale occasions and 14.1 percent of all upscale occasions. Compared with fall 1988, deal usage was up 1.5 percentage points at quickservice restaurants, up 1.2 percentage points at midscale restaurants and down 0.2 percentage points at upscale restaurants.

The average per-person check rose 3.5 percent—from $3.70 in fall 1988 to $3.83 in fall 1989. The highest rate of growth in average check size occurred at quickservice establishments—up 3.6 percent to $2.85 per person. Per-person check size increased 3.3 percent at midscale restaurants to reach $4.85. Upscale restaurants continued to show the smallest rate of growth in check size. The average per-person check at upscale eateries was $9.46—1.1 percent higher than in fall 1988.



1 NEW ENGLAND

Location: Middlebury, VT
Association members: Chris Hesslink, Robert Mahoney
Operation: Dog Team Tavern
Profile: Midscale restaurant
In business: 44 years
Seats: 200
Meals served: Dinner, seasonal lunch

Dog Team Tavern, three miles north of Middlebury, used to be a mission house where crafts from Labrador were sold. The restaurant's name came from the dog teams pictured on some of the handwoven Labradorian mats, which now adorn its walls. Vermont antiques are also found throughout the dining rooms and lounge.

Prime rib, baked ham, country-fried chicken and fresh fish are the specialties. All meals come with soup of the day or juice; sticky buns made on premises; small loaves of fresh Anadama bread—a heavy molasses bread; helpings of relish from the spinning wheel—a wheel with seven buckets of relishes; fresh garden salad; the vegetable of the day; and mashed potatoes.

Business has grown 75 percent in the 2½ years **Chris Hesslink** and **Robert Mahoney** have owned the restaurant.

2 MID-ATLANTIC

Location: Neptune City, NJ
Association members: William and Geraldine Kelly
Operation: Kelly's Tavern
Profile: Casual restaurant and bar
In business: 40 years
Seats: 144, plus 85 on summer weekends
Meals served: Breakfast, lunch, dinner

Kelly's Tavern was a small bar selling hamburgers and hot dogs when the present owner's father was the proprietor. Today it occupies a larger building across the street and has a more extensive menu. One item always available is the Reuben, an open-faced sandwich made with rye bread, Russian dressing, corned beef, sauerkraut and Swiss cheese, which can be ordered in mini or full-sized versions. The sandwich is so popular that the Kelly sons are marketing a microwavable frozen version to business cafeterias.

Customers of Kelly's sit at tables or at one of the 52 seats at the large bar. Beer is the usual beverage of choice. A large map of Ireland and coats of arms and banners from Ireland are part of the decor.

Manager **Ed Kelly** says business was down a little after Christmas but is picking up again. Because Neptune City is a resort town, Kelly's does its biggest business in the summer; on summer weekends, a basement room seating 85 handles the extra crowds.

3 SOUTH ATLANTIC

Location: Charleston, SC
Association members: Van Weatherspoon, David Bedard
Operation: East Bay Trading Company
Profile: Midscale restaurant
In business: 10 years
Seats: 230
Meal served: Dinner

The hurricane that hit Charleston in October spared this seafood restaurant, only breaking a few windows and causing some flooding in the basement. But the East Coast Trading Company was closed for 11 days and then had to operate under a curfew for a while. The restaurant and the city of Charleston hope that tourists who usually flock to the city will not be kept away this year by reports of damage.

East Bay Trading Company is in a renovated three-story warehouse in downtown Charleston. Owner Weatherspoon created an atrium in the center of the building and has furnished the surrounding areas with unique objects, such as the 400-pound brass bank table, big copper pots (now planters) from the Hershey chocolate factory and a San Francisco trolley car used for cocktail service.

Manager **David Bedard** thinks the uniqueness of the building and its decor and the highly visible location help the restaurant compete. For the first time the restaurant is advertising on a billboard on the interstate that leads into town. And as a way to cut down on overhead costs and to focus on the quality of its dinners, East Bay has stopped serving lunch.

4 EAST NORTH CENTRAL

Location: Bloomington, IN
Association members: Brenda and William Lutgens
Operation: Wee Willie's, Incorporated
Profile: Casual family restaurant
In business: 24 years
Seats: 70, plus curb service for 20 cars
Meals served: Breakfast, lunch, dinner

Bloomington is a booming restaurant town, according to **Brenda Lutgens**, co-owner of Wee Willie's. Lutgens credits reasonable prices as the reason Wee Willie's is able to hold its own against the hundreds of other restaurants in town, especially the chains. "We are better than the big chains in quality and quantity," she says.

Located on the south side of the city, the restaurant's business comes mostly from the elderly and students who attend a nearby high school.

Wee Willie's offers traditional sandwiches and dinners, but most popular is each day's special dinner.

5 EAST SOUTH CENTRAL

Location: Lebanon, TN
Association members: Dan Evins, O.E. Philpot
Operation: Cracker Barrel Old Country Store Inc.
Profile: Corporation owning 80 restaurants
In business: 21 years
Seats: 180 to 210
Meals served: Breakfast, lunch, dinner

Cracker Barrel has grown from one restaurant in Lebanon, Tennessee, to 80 in

12 midwestern and southern states, with business increasing 20 percent a year, according to vice president of marketing **O.E. Philpot.**

Country-type food is the specialty—vegetables like corn, fried okra, turnip greens and beans; baked-on-premises desserts like cobblers; and the made-from-scratch biscuits or corn muffins that accompany all meals. The company is the nation's largest user of country ham.

All but four of the restaurants are located near interstates and count on billboard advertising to bring in travelers. All have front porches with rocking chairs and gift shops selling crafts and foods like country hams and Vermont maple syrup. "The men usually rock, and the women usually browse while waiting for a table," Philpot says.

6 WEST NORTH CENTRAL

Location: Cedar Rapids, IA
Association members: Mary and John Schlesselman
Operation: Charlie's on the River
Profile: Midscale restaurant
In business: 5 years
Seats: 250
Meals served: Lunch, dinner

Cedar Rapids's healthy economy is attracting lots of fine-dining restaurants, according to Charlie's co-owner **Mary Schlesselman.** "Every time a new one opens," she says, " our business will fall off a little, but then it will level out."

Charlie's on the River prides itself on its homemade soups, especially the clam chowder made fresh every day, and the elegant dessert tray presented after a meal. Entrees include prime rib, hickory-smoked pork ribs and a variety of meats and seafood prepared Cajun-Creole style. Schlesselman says Cajun-style may be less popular now in other parts of the country, but at her restaurant these items are consistently among the top-10 dishes. Charlie's is the only restaurant in town with a wine bar where customers can sample free before they order a full bottle. The restaurant also sells wine at retail.

7 WEST SOUTH CENTRAL

Location: Waco, TX
Association members: Sammy Citrano, David Tinsley, Jane Smith
Operation: The Health Camp Company
Profile: Hamburger stand
In business: 41 years
Seats: 60
Meals served: Lunch, dinner

When Jack Schaevitz, original owner of The Health Camp Company, retired last year, the owners of the restaurant next door took it over. Except for expanding the seating, **Sammy Citrano** and **David Tinsley** have kept things the same. All of the employees stayed, and Schaevitz, now 77, often visits.

Once voted "the best hamburger stand in America" by *The Washington Post*, The Health Camp Company still specializes in hamburgers. In addition, it serves chicken tenders, chicken breast and chicken-fried steak sandwiches; hot dogs; corn dogs; and soft-serve ice cream, malts and shakes.

Old pictures of the town of Waco in the '40s decorate the walls. There is a jukebox and a talking wastecan that says "thank you."

Located between Austin and Dallas, ¼ mile from a freeway, the restaurant attracts out-of-towners. Citrano describes the economy of Waco as "not booming," but says the town is hoping to attract new businesses.

8 MOUNTAIN

Location: Bountiful, UT
Association members: Lois and Jack Pickett
Operation: Servus Drug
Profile: Soda fountain and private party room in drugstore
In business: 41 years
Seats: Fountain—60; party room—150
Meals served: Breakfast, lunch, dinner

Servus Drug, with its original Coke machine, looks the same as it did 41 years ago. "We were going to redecorate, but people wouldn't let us," said owner **Lois Pickett.** Old customers like to bring their family back to see "where Mom and Dad used to hang out."

The fountain sells malts and milk shakes, hamburgers, cheeseburgers, sandwiches and pies made by Pickett. Pickett's two sons make the soups.

A basement room is used for meetings of town organizations, family parties, wedding breakfasts and rehearsal dinners. Servus also does some off-premises catering.

Bountiful, at the foot of the Rocky Mountains, is a bedroom community of Salt Lake City, which is 10 miles away. When the Picketts opened their business on Main Street, there were only five other eating places in town; now there are more than 100. Hard work, a loyal crew and a good reputation have helped Servus compete, says Pickett.

9 PACIFIC

Location: City of Commerce, CA
Association members: Virginia and James Filipan
Operation: Steven's Steak House
Profile: Full-service restaurant
In business: 35 years
Seats: 300
Meals served: Lunch, dinner

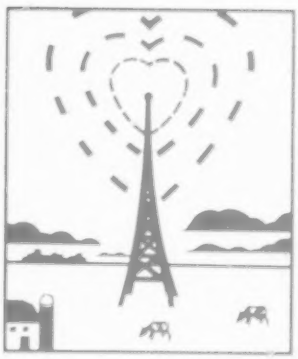
Steven's is known for large portions of food at reasonable prices. For example, the Big Jim prime rib is a 32-ounce piece of meat served with soup or salad, appetizer, vegetable and bread for $14.90. Other specialties are steaks and seafood, rack of lamb and an 18-ounce veal chop with wine sauce. All entrees come with a complimentary dish of spaghetti, made according to co-owner **Virginia Filipan's** own recipe. Desserts include chocolate mousse, cheesecake, carrot cake and fresh apple pie.

Filipan says business is steady, even though other area restaurants aren't doing as well. She says today's diners are more conservative. "They used to eat out three times a week; now it's only once a week, and they don't drink as much," she says. To attract additional business on special holidays, Stevens uses two-for-one promotions; for example the two-for-one Valentine special resulted in more than 300 dinner reservations.

—Julie Fintel

Love on the air

Advertising firms think long and hard to come up with catchy jingles or humorous lines while creating radio ads. Maybe they should.



take a lesson from Chuck Schmitt, assistant manager of the Submarine Sandwich Shop in Dubuque, Iowa, who found a most unusual way to grab audience attention at the end of the ad he ran on KDFX-FM radio—a marriage proposal.

Schmitt spent 50 seconds of the radio spot describing his shop's sandwiches, but in the final seconds, he changed his pitch by saying, "Katie, I know you're listening. I love you really. Will you marry me?"

Fortunately, Schmitt's girlfriend, Katie Ryan, was listening and she phoned in her answer—"yes."

—The Washington Times

Why liquor hits women harder

According to researchers at Mount Sinai Medical School in New York City, shortage of a stomach enzyme that breaks down alcohol before it hits the bloodstream may be the reason that women are more sensitive to alcohol than men.

Because women have less of the enzyme called alcohol dehydrogenase in their stomachs than men, they absorb a third more of the alcohol they consume. The study, which was conducted on 43 men and women, helps explain why women who abuse alcohol have shown a higher tendency than men to get liver disease. The researchers recommended differentiating by sex when issuing statements on the safe use of alcohol.

—USA Today

Finding an Asian venture

Despite failing to get one Chinese restaurant concept off the ground, General Mills, Inc., has not given up its quest to find the right Asian venture. The 1987 purchase of Leeann Chin's, a Minneapolis-based chain of buffet-style restaurants, was not successful for General Mills. After selling Leann Chin's back to the original owners, General Mills continued to look for the right Asian concept.

Now the company appears ready to proceed. Plans to open a test restaurant in Orlando (company headquarters) are underway. If General Mills follows its pattern of slow development, its Asian restaurants may not be ready for national rollout for several years. But when the time comes, the company is known for its aggressive marketing, and it will give other Asian concepts a run for the money.

—The Wall Street Journal

Champions of the world?

You could say Champions Sports, Inc., is a company that lives up to its name. The five-year-old firm, which operates 12 sports bars in the United States, is much like an athlete who after proving himself or herself on the national playing field is ready to take on international competition. Champions is planning to expand its business in several foreign markets, including Australia, Britain and the South Pacific.

It is a risky move, since sports bars are virtually unheard of overseas; but Champions believes its combination of good food and sports entertainment—including the promotional tie-ins with sporting events that the company is known for—will find eager new fans all over the world.

—The Washington Times

Frankly speaking...

Before biting into their next hot dog, America's weenie lovers may read the fine print—not the ingredients listing, but the print right on the hot dogs. Viskase Company, an enterprising Chicago firm, has developed a frankfurt casing that can be emblazoned with personalized messages—including ads and logos.

Although hot-dog purists

may groan at the thought of the ad-on-the-frank scheme, foodservice manufacturers and distributors are eager to proceed. Restaurants, too, can take advantage of the casings' marketing potential by printing their logos or a special message on them. The one unknown still remains, however. Will customers read the dogs before smothering them in mustard and all the fixings?

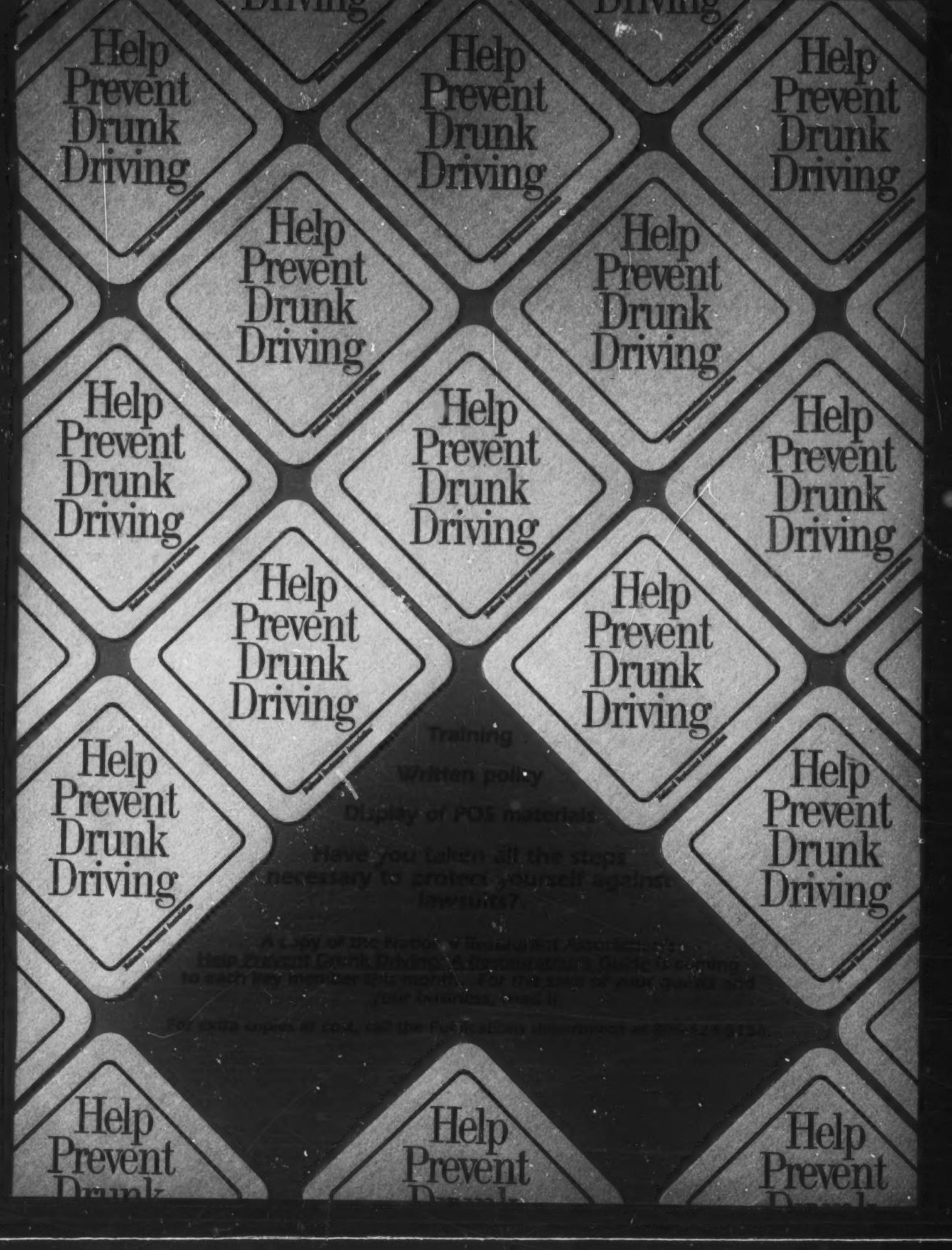
—Los Angeles Times

The right time and place

Professional baseball players dream of a day when they are inducted into the Baseball Hall of Fame. For former pitcher Jim Palmer, the call came on January 9 at 9:15 p.m. The place? Hersh's Orchard Inn, in Towson, Maryland, which is outside of Baltimore, home of the Orioles, where Palmer enjoyed his glory.

Following the announcement, Palmer, surrounded by friends and former teammates, held a press conference at the restaurant for the media who were present. Not to be outdone, Hersh's sent out its own press release—complete with photo of Palmer posing with the restaurant's owners, managers and chef.

—Hersh's Orchard Inn


Help Prevent Drunk Driving